# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, D.C. 20549**

# FORM 20-F

**(Mark One)**

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended 31 December 2012**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

# Anheuser-Busch InBev SA/NV
**(Exact name of Registrant as specified in its charter)**

**N/A**
**(Translation of Registrant's name into English)**

**Belgium**
**(Jurisdiction of incorporation or organization)**

**Brouwerijplein 1,**
**3000 Leuven, Belgium**
**(Address of principal executive offices)**

**Sabine Chalmers**
**Chief Legal and Corporate Affairs Officer**
**Brouwerijplein 1, 3000 Leuven**
**Belgium**
**Telephone No.: + 32 16 27 61 11**
**Fax No.: + 32 16 50 61 11**
**(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)**

**Securities registered or to be registered pursuant to Section 12(b) of the Act.**

| Title of each class | Name of each exchange on which registered |
|---|---|
| **Ordinary shares without nominal value** | **New York Stock Exchange*** |

| | |
|---|---|
| **American Depositary Shares, each representing one ordinary share without nominal value** | **New York Stock Exchange** |
| **9.750% Notes due 2015 (November 2010)** | **New York Stock Exchange** |
| **Floating Rate Notes due 2014 (January 2011)** | **New York Stock Exchange** |
| **2.875% Notes due 2016 (January 2011)** | **New York Stock Exchange** |
| **4.375% Notes due 2021 (January 2011)** | **New York Stock Exchange** |
| **Floating Rate Notes due 2014 (July 2011)** | **New York Stock Exchange** |
| **1.500% Notes due 2014 (July 2011)** | **New York Stock Exchange** |
| **0.800% Notes due 2015 (July 2012)** | **New York Stock Exchange** |
| **1.375% Notes due 2017 (July 2012)** | **New York Stock Exchange** |
| **2.500% Notes due 2022 (July 2012)** | **New York Stock Exchange** |
| **3.750% Notes due 2042 (July 2012)** | **New York Stock Exchange** |
| **0.800% Notes due 2016 (January 2013)** | **New York Stock Exchange** |
| **1.250% Notes due 2018 (January 2013)** | **New York Stock Exchange** |
| **2.625% Notes due 2023 (January 2013)** | **New York Stock Exchange** |
| **4.000% Notes due 2043 (January 2013)** | **New York Stock Exchange** |

* Not for trading, but in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.

**Securities registered or to be registered pursuant to Section 12(g) of the Act.**

**None**
**(Title of Class)**

**Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.**

**None**
**(Title of Class)**

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**Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.**

1,606,787,543 ordinary shares

**Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No**

**If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. ☐ Yes ☒ No**

**Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.**

**Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No**

**Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).* ☐ Yes ☐ No**

*** This requirement does not apply to the registrant in respect of this filing.**

**Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):**

**Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐**

**Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:**

| U.S. GAAP ☐ | International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ | Other ☐ |
|---|---|---|

**If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.** N/A ☐ **Item 17** ☐ **Item 18**

**If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).** ☐ **Yes** ☒ **No**

**(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)**

**Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15 (d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.** N/A ☐ **Yes** ☐ **No**

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## GENERAL INFORMATION

In this annual report on Form 20-F ("**Form 20-F**") references to:

- "we," "us" and "our" are, as the context requires, to Anheuser-Busch InBev SA/NV or Anheuser-Busch InBev SA/NV and the group of companies owned and/or controlled by Anheuser-Busch InBev SA/NV;
- "AB InBev Group" are to Anheuser-Busch InBev SA/NV and the group of companies owned and/or controlled by Anheuser-Busch InBev SA/NV;
- "Anheuser-Busch" are to Anheuser-Busch Companies, LLC and the group of companies owned and/or controlled by Anheuser-Busch Companies, LLC, as the context requires; and
- "Ambev" are to Companhia de Bebidas das Américas—Ambev, a Brazilian company listed on the New York Stock Exchange and on the São Paulo Stock Exchange.

- **PRESENTATION OF FINANCIAL AND OTHER DATA**

We have prepared our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and in conformity with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"). The financial information and related discussion and analysis contained in this item are presented in U.S. dollars except as otherwise specified. Unless otherwise specified, the financial information analysis in this Form 20-F is based on our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012. Unless otherwise specified, all financial information included in this Form 20-F has been stated in U.S. dollars.

All references in this Form 20-F to (i) "**euro**" or "**EUR**" are to the common currency of the European Union, (ii) "**U.S. dollar**," "**$**," or "**USD**" are to the currency of the United States, (iii) "**CAD**" are to the currency of Canada, (iv) "**R$**", "**real**" or "**reais**" are to the currency of Brazil, and (v) "**GBP**" (pounds sterling) are to the currency of the United Kingdom.

Unless otherwise specified, volumes, as used in this Form 20-F, include both beer and non-beer (primarily carbonated soft drinks) volumes. In addition, unless otherwise specified, our volumes include not only brands that we own or license, but also third-party brands that we brew or otherwise produce as a subcontractor, and third-party products that we sell through our distribution network, particularly in Western Europe. Our volume figures in this Form 20-F reflect 100% of the volumes of entities that we fully consolidate in our financial reporting and a proportionate share of the volumes of entities that we proportionately consolidate in our financial reporting, but do not include volumes of our associates or non-consolidated entities. Our pro rata share of volumes in Grupo Modelo, S.A.B. de C.V. ("**Grupo Modelo**") and Tsingtao Brewery Co., Ltd. ("**Tsingtao**") (the latter of which we disposed of in June 2009) are not included in the reported volumes.

Certain monetary amounts and other figures included in this Form 20-F have been subject to rounding adjustments. Accordingly, any discrepancies in any tables between the totals and the sums of amounts listed are due to rounding.

## PRESENTATION OF MARKET INFORMATION

Market information (including market share, market position and industry data for our operating activities and those of our subsidiaries or of companies acquired by us) or other statements presented in this Form 20-F regarding our position (or that of companies acquired by us) relative to our competitors largely reflect the best estimates of our management. These estimates are based upon information obtained from customers, trade or business organizations and associations, other contacts within the industries in which we operate and, in some cases, upon published statistical data or information from independent third parties. Except as otherwise stated, our market share data, as well as our management's assessment of our comparative competitive position, has been derived by comparing our sales figures for the relevant period to our management's estimates of our competitors' sales figures for such period, as well as upon published statistical data and information from independent third parties, and, in particular, the reports published and the information made available by, among others, the local brewers' associations and the national statistics bureaus in the various countries in which we sell our products. The principal sources generally used include Plato Logic Limited and AC Nielsen, as well as Beer Institute and SymphonyIRI (for the United States), the Brewers Association of Canada (for Canada), CCR (for Ecuador, Paraguay and Peru), CIES (for Bolivia), AC Nielsen (for Argentina, Brazil, Russia and Ukraine), FECU (for Chile), Belgian Brewers (for Belgium), German Brewers Association (for Germany), Seema International Limited (for China), the British Beer and Pub Association (for the United Kingdom), Centraal Brouwerij Kantoor—CBK (for the Netherlands), Association des Brasseurs de France (for France), Associazione degli Industriali della Birra e del Malto (for Italy) and other local brewers' associations. You should not rely on the market share and other market information presented herein as precise measures of market share or of other actual conditions.

**FORWARD-LOOKING STATEMENTS**

There are statements in this Form 20-F, such as statements that include the words or phrases "*will likely result*," "*are expected to*," "*will continue*," "*is anticipated*," "*anticipate*," "*estimate*," "*project*," "*may,*" "*might*," "*could*," "*believe*," "*expect*," "*plan*," "*potential*" or similar expressions that are forward-looking statements. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those suggested by these statements due to, among others, the risks or uncertainties listed below. *See also* "Item 3. Key Information—D. Risk Factors" for further discussion of risks and uncertainties that could impact our business.

These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside our control and are difficult to predict, that may cause actual results or developments to differ materially from any future results or developments expressed or implied by the forward-looking statements. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include, among others:

- local, regional, national and international economic conditions, including the risks of a global recession or a recession in one or more of our key markets, and the impact they may have on us and our customers and our assessment of that impact;
- financial risks, such as interest rate risk, foreign exchange rate risk, commodity risk, asset price risk, equity market risk, counterparty risk, sovereign risk, liquidity risk, inflation or deflation;
- changes in government policies and currency controls;
- tax consequences of restructuring and our ability to optimize our tax rate;
- continued availability of financing and our ability to achieve our targeted coverage and debt levels and terms, including the risk of constraints on financing in the event of a credit rating downgrade;
- the monetary and interest rate policies of central banks, in particular the European Central Bank, the Board of Governors of the U.S. Federal Reserve System, the Bank of England, *Banco Central do Brasil*, *Banco Central de la República Argentina* and other central banks;
- changes in applicable laws, regulations and taxes in jurisdictions in which we operate, including the laws and regulations governing our operations, changes to tax benefit programs as well as actions or decisions of courts and regulators;
- limitations on our ability to contain costs and expenses;
- our expectations with respect to expansion, premium growth, accretion to reported earnings, working capital improvements and investment income or cash flow projections;
- our ability to continue to introduce competitive new products and services on a timely, cost-effective basis;
- the effects of competition and consolidation in the markets in which we operate, which may be influenced by regulation, deregulation or enforcement policies;
- changes in consumer spending;
- changes in pricing environments;
- volatility in the prices of raw materials, commodities and energy;

- difficulties in maintaining relationships with employees;
- regional or general changes in asset valuations;
- greater than expected costs (including taxes) and expenses;
- the risk of unexpected consequences resulting from acquisitions, including the proposed combination with Grupo Modelo, joint ventures, strategic alliances or divestiture plans, and our ability to successfully integrate the operations of businesses or other assets that we acquire;
- the outcome of pending and future litigation and governmental proceedings;
- natural and other disasters;
- any inability to economically hedge certain risks;
- inadequate impairment provisions and loss reserves;
- technological changes and threats to cybersecurity;
- other statements included in this annual report that are not historical;
- our success in managing the risks involved in the foregoing; and
- the risk of unexpected consequences resulting from corporate restructurings, including the Ambev Stock Swap Merger, as defined below, and our ability to successfully and cost-effectively implement them and capture their intended benefits.

Our statements regarding financial risks, including interest rate risk, foreign exchange rate risk, commodity risk, asset price risk, equity market risk, counterparty risk, sovereign risk, inflation and deflation, are subject to uncertainty. For example, certain market and financial risk disclosures are dependent on choices about key model characteristics and assumptions and are subject to various limitations. By their nature, certain of the market or financial risk disclosures are only estimates and, as a result, actual future gains and losses could differ materially from those that have been estimated.

We caution that the forward-looking statements in this Form 20-F are further qualified by the risk factors disclosed in "Item 3. Key Information—D. Risk Factors" that could cause actual results to differ materially from those in the forward-looking statements. Subject to our obligations under Belgian and U.S. law in relation to disclosure and ongoing information, we undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

# PART I

## ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

### A. DIRECTORS AND SENIOR MANAGEMENT

Not applicable.

### B. ADVISERS

Not applicable.

### C. AUDITORS

Not applicable.

## ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

### A. OFFER STATISTICS

Not applicable.

### B. METHOD AND EXPECTED TIMETABLE

Not applicable.

## ITEM 3. KEY INFORMATION

### A. SELECTED FINANCIAL DATA

The selected historical financial information presented below as of 31 December 2012, 2011, 2010, 2009 and 2008, and for the five years ended 31 December 2012 has been derived from our audited consolidated financial statements, which were prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and in conformity with International Financial Reporting Standards as adopted by the European Union ("**IFRS**").

The selected historical financial information presented in the tables below should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements and the accompanying notes. The audited consolidated financial statements and the accompanying notes as of 31 December 2012 and 2011 and for the three years ended 31 December 2012 have been included in this Form 20-F.

Following the 2008 Anheuser-Busch acquisition, we completed a series of asset disposals in 2009 and have utilized certain of the proceeds from such disposals to repay indebtedness incurred to finance the Anheuser-Busch acquisition. See "Item 4. Information on the Company—A. History and Development of the Company—History and Development of the Company" for a description of the Anheuser-Busch acquisition. Accordingly, the scope of our business after the completion of the series of asset disposals differs materially from the scope of our business presented in this Form 20-F for the year ended 31 December 2009.

Effective 1 January 2009, we changed the presentation currency of our consolidated financial statements from the euro to the U.S. dollar, reflecting the post-Anheuser-Busch acquisition profile of our revenue and cash flows, which are now primarily generated in U.S. dollars and U.S. dollar-linked currencies. We believe that this change provides greater alignment of our presentation currency with our most significant operating currency and underlying financial performance. Unless otherwise specified, all financial information included in this Form 20-F has been stated in U.S. dollars.

| | Year ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2012 | 2011 | 2010 | 2009 | 2008 |
| | (USD million, unless otherwise indicated) (audited) | | | | |
| *Income Statement Data* | | | | | |
| Revenue[1] | 39,758 | 39,046 | 36,297 | 36,758 | 23,507 |
| Profit from operations | 12,733 | 12,329 | 10,897 | 11,569 | 5,340 |
| Profit | 9,434 | 7,959 | 5,762 | 5,877 | 3,126 |
| Profit attributable to our equity holders | 7,243 | 5,855 | 4,026 | 4,613 | 1,927 |
| Weighted average number of ordinary shares (million shares)[2] | 1,600 | 1,595 | 1,592 | 1,584 | 999 |
| Diluted weighted average number of ordinary shares (million shares)[3] | 1,628 | 1,614 | 1,611 | 1,593 | 1,000 |
| Basic earnings per share (USD)[4] | 4.53 | 3.67 | 2.53 | 2.91 | 1.93 |
| Diluted earnings per share (USD)[5] | 4.45 | 3.63 | 2.50 | 2.90 | 1.93 |
| Dividends per share (USD) | 2.24 | 1.55 | 1.07 | 0.55 | 0.35 |
| Dividends per share (EUR) | 1.70 | 1.20 | 0.80 | 0.38 | 0.28 |

| | As of 31 December | | | | |
|---|---|---|---|---|---|
| | 2012 | 2011 | 2010 | 2009 | 2008 (adjusted)[6] |
| | (USD million, unless otherwise indicated) (audited) | | | | |
| *Financial Position Data* | | | | | |
| Total assets | 122,621 | 112,427 | 114,342 | 112,525 | 113,748 |
| Equity | 45,441 | 41,044 | 38,799 | 33,171 | 24,431 |
| Equity attributable to our equity holders | 41,142 | 37,492 | 35,259 | 30,318 | 22,442 |
| Issued capital | 1,734 | 1,734 | 1,733 | 1,732 | 1,730 |
| *Other Data* | | | | | |
| Volumes (million hectoliters) | 403 | 399 | 399 | 409 | 285 |

Notes:

(1) Turnover less excise taxes and discounts. In many jurisdictions, excise taxes make up a large proportion of the cost of beer charged to our customers (see "Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Excise Taxes").

(2) Weighted average number of ordinary shares means, for any period, the number of shares outstanding at the beginning of the period, adjusted by the number of shares canceled, repurchased or issued during the period multiplied by a time-weighting factor.

(3) Diluted weighted average number of ordinary shares means the weighted average number of ordinary shares, adjusted by the effect of share options issued.

(4) Earnings per share means, for any period, profit attributable to our equity holders for the period divided by the weighted average number of ordinary shares.

(5) Diluted earnings per share means, for any period, profit attributable to our equity holders for the period divided by the diluted weighted average number of ordinary shares.

(6) In 2009, the company completed the purchase price allocation of the Anheuser-Busch acquisition in accordance with IFRS 3. IFRS 3 requires the acquirer to retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. As such, total assets have been adjusted to reflect the final purchase price adjustments.

## B. CAPITALIZATION AND INDEBTEDNESS

Not Applicable.

## C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not Applicable.

## D. RISK FACTORS

*Investing in our shares involves risk. We expect to be exposed to some or all of the risks described below in our future operations. Such risks include, but are not limited to, the risk factors described below. Any of the risk factors described below, as well as additional risks of which we are not currently aware, could also affect our business operations and have a material adverse effect on our business activities, financial condition, results of operations and prospects and cause the value of our shares to decline. Moreover, if and to the extent that any of the risks described below materialize, they may occur in combination with other risks which would compound the adverse effect of such risks on our business activities, financial condition, results of operations and prospects. Investors in our shares and American Depositary Shares ("**ADSs**") could lose all or part of their investment.*

*You should carefully consider the following information in conjunction with the other information contained or incorporated by reference in this document. The sequence in which the risk factors are presented below is not indicative of their likelihood of occurrence or of the potential magnitude of their financial consequences.*

### Risks Relating to Our Business

***We are exposed to the risks of an economic recession, credit and capital market volatility and economic and financial crisis, which could adversely affect the demand for our products and adversely affect the market price of our shares and ADSs.***

We are exposed to the risk of a global recession or a recession in one or more of our key markets, credit and capital market volatility and an economic or financial crisis, which could result in lower revenue and reduced profit. For example, recent concerns regarding the eurozone sovereign debt crisis and the level of U.S. federal debt have led to increased volatility in global credit and capital markets and may lead to reduced economic growth in Europe, the United States and elsewhere.

Beer and soft drinks consumption in many of the jurisdictions in which we operate is closely linked to general economic conditions, with levels of consumption tending to rise during periods of rising per capita income and fall during periods of declining per capita income. Additionally, per capita consumption is inversely related to the sale price of our products.

Besides moving in concert with changes in per capita income, beer consumption also increases or decreases in accordance with changes in disposable income.

Currently, disposable income is low in many of the developing countries in which we operate compared to disposable income in more developed countries. Any decrease in disposable income resulting from an increase in inflation, income taxes, the cost of living, unemployment levels, political or economic instability or other factors would likely adversely affect demand for beer. Moreover, because a significant portion of our brand portfolio consists of premium beers, our volumes and revenue may be impacted to a greater degree than those of some of our competitors, as some consumers may choose to purchase value or discount brands rather than super-premium, premium or core brands. For additional information on the categorization of the beer market and our positioning, see "Item 4. Information on the Company—B. Business Overview—2. Principal Activities and Products—Beer."

Capital and credit market volatility, such as that experienced recently, may result in downward pressure on stock prices and credit capacity of issuers. A continuation or worsening of the levels of market disruption and volatility seen in the recent past could have an adverse effect on our ability to access capital, on our business, results of operations and financial condition, and on the market price of our shares and ADSs.

***Our results of operations are affected by fluctuations in exchange rates.***

Although we report our consolidated results in U.S. dollars, in 2012, we derived approximately 61.7% of our revenue from operating companies that have non-U.S. dollar functional currencies (in most cases, in the local currency of the respective operating company). Consequently, any change in exchange rates between our operating

companies' functional currencies and the U.S. dollar will affect our consolidated income statement and balance sheet when the results of those operating companies are translated into U.S. dollars for reporting purposes. Decreases in the value of our operating companies' functional currencies against the U.S. dollar will tend to reduce those operating companies' contributions in dollar terms to our financial condition and results of operations.

In addition to currency translation risk, we incur currency transaction risks whenever one of our operating companies enters into transactions using currencies other than their respective functional currencies, including purchase or sale transactions and the issuance or incurrence of debt. Although we have hedge policies in place to manage commodity price and foreign currency risks to protect our exposure to currencies other than our operating companies' functional currencies, there can be no assurance that such policies will be able to successfully hedge against the effects of such foreign exchange exposure, particularly over the long-term. In particular, concerns regarding the eurozone sovereign debt crisis may result in increased volatility of euro exchange rates and make it more difficult for us to successfully hedge the effects of our euro foreign exchange exposure.

Moreover, although we seek to proactively address and manage the relationship between borrowing currency liabilities and functional currency cash flows, much of our debt is denominated in U.S. dollars, while a significant portion of our cash flows are denominated in currencies other than the U.S. dollar. From time to time we enter into financial instruments to mitigate currency risk, but these transactions and any other efforts taken to better match the effective currencies of our liabilities to our cash flows could result in increased costs.

See "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Market Risk, Hedging and Financial Instruments" and note 28 to our audited financial information as of 31 December 2012 and 2011, and for the three years ended 31 December 2012, for further details on our approach to hedging commodity price and foreign currency risk.

***Changes in the availability or price of raw materials, commodities and energy could have an adverse effect on our results of operations.***

A significant portion of our operating expenses are related to raw materials and commodities, such as malted barley, wheat, corn grits, corn syrup, rice, hops, flavored concentrate, fruit concentrate, sugar, sweetener, water, glass, polyethylene terephthalate ("**PET**") and aluminum bottles, aluminum or steel cans and kegs, labels, plastic crates, metal and plastic closures, folding cartons, cardboard products and plastic films.

The supply and price of raw materials and commodities used for the production of our products can be affected by a number of factors beyond our control, including the level of crop production around the world, export demand, quality and availability of supply, speculative movements in the raw materials or commodities markets, currency fluctuations, governmental regulations and legislation affecting agriculture, trade agreements among producing and consuming nations, adverse weather conditions, natural disasters, economic factors affecting growth decisions, political developments, various plant diseases and pests.

We cannot predict future availability or prices of the raw materials or commodities required for our products. The markets in certain raw materials or commodities have experienced and may in the future experience shortages and significant price fluctuations. The foregoing may affect the price and availability of ingredients that we use to manufacture our products, as well as the cans and bottles in which our products are packaged. We may not be able to increase our prices to offset these increased costs or increase our prices without suffering reduced volume, revenue and operating income. To some extent, derivative financial instruments and the terms of supply agreements can protect against increases in materials and commodities costs in the short term. However, derivatives and supply agreements expire and upon expiry are subject to renegotiation and therefore cannot provide complete protection over the medium or longer term. To the extent we fail to adequately manage the risks inherent in such volatility, including if our hedging and derivative arrangements do not effectively or completely hedge against changes in commodity prices, our results of operations may be adversely impacted. In addition, it is possible that the hedging and derivative instruments we use to establish the purchase price for commodities in advance of the time of delivery may lock us into prices that are ultimately higher than actual market prices at the time of delivery. See "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Market Risk, Hedging and Financial Instruments" for further details on our approach to hedging commodity price risk.

The production and distribution of our products require material amounts of energy, including the consumption of oil-based products, natural gas, biomass, coal and electricity. Energy prices have been subject to significant price volatility in the recent past and may be again in the future. High energy prices over an extended period of time, as well as changes in energy taxation and regulation in certain geographies, may result in a negative effect on operating income and could potentially challenge our profitability in certain markets. There is no guarantee that we will be able to pass along increased energy costs to our customers in every case.

The production of our products also requires large amounts of water, including water consumption in the agricultural supply chain. Changes in precipitation patterns and the frequency of extreme weather events may affect our water supply and, as a result, our physical operations. Water may also be subject to price increases in certain areas, and changes in water taxation and regulation in certain geographies may result in a negative effect on operating income which could potentially challenge our profitability in certain markets. There is no guarantee that we will be able to pass along increased water costs to our customers in every case.

***We may not be able to obtain the necessary funding for our future capital or refinancing needs and we face financial risks due to our level of debt and uncertain market conditions.***

We may be required to raise additional funds for our future capital needs or refinance our current indebtedness through public or private financing, strategic relationships or other arrangements. There can be no assurance that the funding, if needed, will be available on attractive terms, or at all. We may be required to issue additional equity under unfavorable conditions, which could dilute our existing shareholders. See "—Risks Related to Our Shares and American Depositary Shares—Future equity issuances may dilute the holdings of current shareholders or ADS holders and could materially affect the market price of our shares or ADSs." Furthermore, any debt financing, if available, may involve restrictive covenants.

On 26 February 2010, we entered into USD 17.2 billion of senior credit agreements, including a USD 13.0 billion senior facilities agreement (the "**2010 Senior Facilities Agreement**") (of which USD 10.1 billion was ultimately drawn) that consisted of a USD 8.0 billion five-year revolving credit facility and a USD 5.0 billion three-year term facility. Effective 25 July 2011, we amended the terms of the 2010 Senior Facilities Agreement to provide for an extension of the USD 8.0 billion five-year revolving credit facility under the 2010 Senior Facilities Agreement. In connection with the amendment, we fully prepaid and terminated the USD 5.0 billion three-year term facility under the 2010 Senior Facilities Agreement. The terms of the 2010 Senior Facilities Agreement, as well as its intended use, are described under "Item 10. Additional Information—C. Material Contracts."

In connection with the publicly-announced combination with Grupo Modelo, S.A.B. de C.V., we entered into a USD 14.0 billion senior facilities agreement (the "**2012 Senior Facilities Agreement**") on 20 June 2012 that consisted of an 8.0 billion USD three-year term facility and a 6.0 billion USD term facility with a maximum maturity of two years from the funding date. As of 31 December 2012, we have not drawn any amounts under the 2012 Senior Facilities Agreement.

We also access the bond markets from time to time based on our financing needs. For details of bond offerings in 2012 and the first quarter of 2013, see "Item 5. Operating and Financial Review—G. Liquidity and Capital Resources—Funding Sources—Borrowings."

The portion of our consolidated balance sheet represented by debt will remain significantly higher as compared to our historical position.

Our continued increased level of debt could have significant consequences, including:

- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- impairing our ability to obtain additional financing in the future;

- requiring us to issue additional equity (possibly under unfavorable conditions); and
- placing us at a competitive disadvantage compared to our competitors that have less debt.

Further, a credit rating downgrade could have a material adverse effect on our ability to finance our ongoing operations or to refinance our existing indebtedness. In addition, if we fail to comply with the covenants or other terms of any agreements governing these facilities, our lenders will have the right to accelerate the maturity of that debt.

Priority has been given to deleveraging, with surplus free cash flow being used to reduce the level of outstanding debt. Deleveraging remains a priority and may continue to restrict the amount of dividends we are able to pay.

In the absence of appropriate external growth opportunities and subject to maintaining an optimal capital structure, increasing cash flow generation should translate into increasing cash returned to shareholders, with dividends being a more predictable growing flow, balanced with share buy-back programs. Our objective is to achieve a long term dividend yield in line with other fast moving consumer goods companies, with low volatility consistent with the non-cyclical nature of our business. In the event of a significant acquisition in the future, we may restrict temporarily the amount of dividends we pay in order to prioritize deleveraging and maintain an optimal capital structure.

Our ability to repay and renegotiate our outstanding indebtedness will depend upon market conditions. In recent years, the global credit markets experienced significant price volatility, dislocations and liquidity disruptions that caused the cost of debt financings to fluctuate considerably. The markets also put downward pressure on stock prices and credit capacity for certain issuers without regard to those issuers' underlying financial strength. Reflecting concern about the stability of the financial markets generally and the strength of counterparties, many lenders and institutional investors reduced, and in some cases, ceased to provide funding to borrowers. If such uncertain conditions persist, our costs could increase beyond what is anticipated. Such costs could have a material adverse impact on our cash flows, results of operations or both. In addition, an inability to refinance all or a substantial amount of our debt obligations when they become due, or more generally a failure to raise additional equity capital or debt financing or to realize proceeds from asset sales when needed, would have a material adverse effect on our financial condition and results of operations.

***Our results could be negatively affected by increasing interest rates.***

We use issuances of debt and bank borrowings as a source of funding and we carry a significant level of debt. Nevertheless, pursuant to our capital structure policy, we aim to optimize shareholder value through cash flow distribution to us from our subsidiaries, while maintaining an investment-grade rating and minimizing cash and investments with a return below our weighted average cost of capital.

Some of the debt we have issued or incurred was issued or incurred at variable interest rates, which exposes us to changes in such interest rates. As of 31 December 2012, after certain hedging and fair value adjustments, USD 5.7 billion, or 12.9%, of our interest-bearing financial liabilities (which include loans, borrowings and bank overdrafts) bore a variable interest rate, while USD 38.6 billion, or 87.1%, bore a fixed interest rate. Moreover, a significant part of our external debt is denominated in non-U.S. dollar currencies, including the euro, pounds sterling, Brazilian real and the Canadian dollar. Although we enter into interest rate swap agreements to manage our interest rate risk, and also enter into cross-currency interest rate swap agreements to manage both our foreign currency risk and interest-rate risk on interest-bearing financial liabilities, there can be no assurance that such instruments will be successful in reducing the risks inherent in exposures to interest rate fluctuations. See "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Market Risk, Hedging and Financial Instruments" and note 28 to our audited financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012, for further details on our approach to foreign currency and interest-rate risk.

***Certain of our operations depend on independent distributors or wholesalers to sell our products.***

Certain of our operations are dependent on government-controlled or privately owned but independent wholesale distributors for distribution of our products for resale to retail outlets. See "Item 4. Information on the Company—B. Business Overview—7. Distribution of Products" and "Item 4. Information on the Company—B. Business Overview—11. Regulations Affecting Our Business" for further information in this respect. There can be no assurance as to the financial affairs of such distributors or that these distributors, who often act both for us and our competitors, will not give our competitors' products higher priority, thereby reducing their efforts to sell our products.

In the United States, for instance, we sell substantially all of our beer to independent wholesalers for distribution to retailers and ultimately consumers. As independent companies, wholesalers make their own business decisions that may not always align themselves with our interests. If our wholesalers do not effectively distribute our products, our financial results could be adversely affected.

In addition, contractual restrictions and the regulatory environment of many markets may make it very difficult to change distributors in a number of markets. In certain cases, poor performance by a distributor or wholesaler is not a sufficient reason for replacement. Our consequent inability to replace unproductive or inefficient distributors could adversely impact our business, results of operations and financial condition.

***There may be changes in legislation or interpretation of legislation by regulators or courts that may prohibit or reduce the ability of brewers to own wholesalers and distributors.***

In certain countries we have interests in wholesalers and distributors, and such interests may be prohibited if legislation or interpretation of legislation changes. Any limitation imposed on our ability to purchase or own any interest in distributors could adversely impact our business, results of operations and financial condition.

***If we do not successfully comply with laws and regulations designed to combat governmental corruption in countries in which we sell our products, we could become subject to fines, penalties or other regulatory sanctions and our sales and profitability could suffer.***

We operate our business and market our products in certain countries that are less developed, have less stability in legal systems and financial markets, and are potentially more corrupt business environments than Europe and the United States, and therefore present greater political, economic and operational risks. Although we are committed to conducting business in a legal and ethical manner in compliance with local and international statutory requirements and standards applicable to our business, there is a risk that the employees or representatives of our subsidiaries, affiliates, associates, joint-ventures or other business interests may take actions that violate applicable laws and regulations that generally prohibit the making of improper payments to foreign government officials for the purpose of obtaining or keeping business, including laws relating to the 1997 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. In respect of the U.S. Foreign Corrupt Practices Act, we have been informed by the U.S. Securities and Exchange Commission that it is conducting an investigation into the relationships of our affiliates in India, including our non-consolidated Indian joint venture. See "Item 8. Financial Information—A. Consolidated Financial Statements and Other Financial Information—Legal and Arbitration Proceedings."

***Competition could lead to a reduction of our margins, increase costs and adversely affect our profitability.***

We compete with both brewers and other drinks companies and our products compete with other beverages. Globally, brewers, as well as other players in the beverage industry, compete mainly on the basis of brand image, price, quality, distribution networks and customer service. Consolidation has significantly increased the capital base and geographic reach of our competitors in some of the markets in which we operate, and competition is expected to increase further as the trend towards consolidation among companies in the beverage industry continues. Consolidation activity has also increased along our distribution channels – in the case of both on-trade points of sale, such as pub companies, and off-trade retailers, such as supermarkets. Such consolidation could increase the purchasing power of players in our distribution channels.

Competition may divert consumers and customers from our products. Competition in our various markets and increased purchasing power of players in our distribution channels could cause us to reduce pricing, increase capital investment, increase marketing and other expenditures, prevent us from increasing prices to recover higher costs, and thereby cause us to reduce margins or lose market share. Moreover, because we rely on only a limited number of brands across a limited number of markets for the majority of our sales, any dilution of our brands as a result of competitive trends could also lead to a significant erosion of our profitability. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations. Innovation faces inherent risks, and the new products we introduce may not be successful, while competitors may be able to respond quicker than we can to emerging trends, such as the increasing consumer preference for "craft beers" produced by smaller microbreweries.

Additionally, the absence of level playing fields in some markets and the lack of transparency, or even certain unfair or illegal practices, such as tax evasion and corruption, may skew the competitive environment in favor of our competitors, with material adverse effects on our profitability or ability to operate.

***The ability of our subsidiaries to distribute cash upstream may be subject to various conditions and limitations.***

To a large extent, we are organized as a holding company and our operations are carried out through subsidiaries. Our domestic and foreign subsidiaries' and affiliated companies' ability to upstream or distribute cash (to be used, among other things, to meet our financial obligations) through dividends, intercompany advances, management fees and other payments is, to a large extent, dependent on the availability of cash flows at the level of such domestic and foreign subsidiaries and affiliated companies and may be restricted by applicable laws and accounting principles. In particular, 41.6% (USD 16.5 billion) of our total revenue of USD 39.8 billion in 2012 came from our Brazilian listed subsidiary Companhia de Bebidas das Américas—Ambev ("**Ambev**"), which is not wholly owned and is listed on the São Paulo Stock Exchange and the New York Stock Exchange. Certain of our equity investments contribute cash flow to us through dividend payments but are not controlled by us, and our receipt of dividend payments from these entities is therefore outside our control. In addition to the above, some of our subsidiaries are subject to laws restricting their ability to pay dividends or the amount of dividends they may pay. See "Item 5. Operating and Financial Review—G. Liquidity and Capital Resources—Transfers from Subsidiaries" and "Item 10. Additional Information—F. Dividends and Paying Agents" for further information in this respect.

If we are not able to obtain sufficient cash flows from our domestic and foreign subsidiaries and affiliated companies, this could adversely impact our ability to pay dividends, and otherwise negatively impact our business, results of operations and financial condition.

***An inability to reduce costs could affect profitability.***

Our future success and earnings growth depend in part on our ability to be efficient in producing, advertising and selling our products and services. We are pursuing a number of initiatives to improve operational efficiency. Failure to generate significant cost savings and margin improvement through these initiatives could adversely affect our profitability and our ability to achieve our financial goals.

***We are exposed to emerging market risks, including the risks of devaluation, nationalization and inflation.***

A substantial proportion of our operations, representing approximately 47.7% of our 2012 revenue, are carried out in emerging markets, including Brazil (which represents 27.1% of our revenue), Argentina, China, Russia, Bolivia, Paraguay, and Ukraine. We also have equity investments in brewers in China and Mexico.

Our operations and equity investments in these markets are subject to the customary risks of operating in developing countries, which include potential political and economic uncertainty, application of exchange controls,

nationalization or expropriation, crime and lack of law enforcement, political insurrection, external interference, financial risks, changes in government policy, political and economic changes, changes in the relations between the countries, actions of governmental authorities affecting trade and foreign investment, regulations on repatriation of funds, interpretation and application of local laws and regulations, enforceability of intellectual property and contract rights, local labor conditions and regulations. Such factors could affect our results by causing interruptions to our operations or by increasing the costs of operating in those countries or by limiting our ability to repatriate profits from those countries. Financial risks of operating in emerging markets also include risks of liquidity, inflation (for example, Brazil, Argentina and Russia have periodically experienced extremely high rates of inflation), devaluation (for example, the Brazilian and Argentine currencies have been devalued frequently during the last four decades), price volatility, currency convertibility and country default. These various factors could adversely impact our business, results of operations and financial condition. Due to our geographic mix, these factors could affect us more than our competitors with less exposure to emerging markets, and any general decline in emerging markets as a whole could impact us disproportionately compared to our competitors.

***Economic and political events in Argentina may adversely affect our Argentina operations.***

We indirectly own 100% of the total share capital of a holding company with operating subsidiaries in Argentina and other South American countries, the net revenues of which corresponded to 4.9% of our total revenue for the year ended 31 December 2012. In the past, the Argentine economic and social situation has rapidly deteriorated, and may quickly deteriorate in the future; we cannot assure you that the Argentine economy will not rapidly deteriorate as it has in the past. The political instability, fluctuations in the economy, governmental actions concerning the economy of Argentina, the devaluation of the Argentine peso, inflation and deteriorating macroeconomic conditions in Argentina could indeed have a material adverse effect on our Latin American South operations, their financial condition and their results. Also, if the economic or political situation in Argentina deteriorates, our Latin American South operations may be subject to additional restrictions under new foreign exchange, export repatriation or expropriation regimes that could adversely affect our liquidity and operations, and our ability to access such funds from Argentina.

***We may not be able to successfully carry out further acquisitions and business integrations or restructuring.***

We have made in the past and may make in the future acquisitions of, investments in, joint ventures and similar arrangements with, other companies and businesses. We cannot make such further transactions unless we can identify suitable candidates and agree on the terms with them. We may not be able to successfully complete such transactions including the proposed combination with Grupo Modelo announced on 29 June 2012. After completion of a transaction, we may be required to integrate the acquired companies, businesses or operations into our existing operations. In addition, such transactions may involve the assumption of certain actual or potential, known or unknown liabilities, which may have a potential impact on our financial risk profile. Further, the price we may pay in any future transaction may prove to be too high as a result of various factors, such as a significant change in market conditions, the limited opportunity to conduct due diligence prior to a purchase or unexpected changes in the acquired business.

*Our* ***proposed combination with Grupo Modelo has exposed us to risks related to the closing of the transaction, significant costs related to the combination and potential difficulties in integration of Grupo Modelo into our existing operations and the extraction of synergies from the transaction.***

On 29 June 2012, we announced an agreement with Grupo Modelo agreeing to acquire the remaining stake in Grupo Modelo that we do not already own for USD 9.15 per share in cash in a transaction valued at USD 20.1 billion (the "**combination with Grupo Modelo**"). In a related transaction, Constellation Brands, Inc. ("**Constellation**") agreed to purchase Grupo Modelo's 50% stake in Crown Imports LLC ("**Crown Imports**"), the joint venture that imports and markets Grupo Modelo's brands in the United States, for USD 1.85 billion, giving Constellation 100% ownership and control of Crown Imports.

*Process*

The combination of us and Grupo Modelo will be completed through a series of steps that will simplify Grupo Modelo's corporate structure, followed by an all-cash tender offer by us for all outstanding Grupo Modelo shares that we will not own at that time. Following the combination, two Grupo Modelo board members will join our Board of Directors, and they have committed, only if they tender their shares, to invest an aggregate amount of USD 1.5 billion of their proceeds from the tender offer into our shares to be delivered within five years via a deferred share instrument. Such investment will happen at the share price of USD 65.

*Antitrust and other regulatory approvals*

Completion of the combination with Grupo Modelo has been conditioned upon, among other things, antitrust approval from U.S. and Mexican authorities. We received approval from Mexican authorities. In July 2012, we and Grupo Modelo filed notification and report forms under the Hart-Scott-Rodino Act with the U.S. Federal Trade Commission and the Antitrust Division of the U.S. Department of Justice ("**DOJ**"). In August 2012, we received a request for additional information from the DOJ. In January 2013, the DOJ brought a lawsuit seeking to block the proposed combination between us and Grupo Modelo.

In February 2013, we announced a revised agreement with Constellation valued at USD 2.9 billion in which Constellation will acquire Grupo Modelo's Piedras Negras brewery in Mexico, and Crown Imports will be granted a perpetual and exclusive license for the Modelo brands produced in Mexico and distributed by Crown Imports in the United States. As previously announced, Constellation will also acquire Grupo Modelo's 50% stake in Crown Imports for USD 1.85 billion. The terms of our combination with Grupo Modelo, announced in June 2012, are unchanged. Completion of the sale of Piedras Negras has been conditioned upon, among other things, any antitrust clearance from U.S. and Mexican authorities that may be required.

We, Grupo Modelo, Constellation and Crown Imports are engaged in discussions with the DOJ seeking to resolve the DOJ's litigation challenging the combination with Grupo Modelo. In connection with such discussions, the parties and the DOJ jointly approached the court to request a stay of all litigation proceedings until 9 April 2013, and the court approved the request. There can be no assurance that the discussions will be successful.

The terms and conditions of any authorizations, approvals and/or clearances still to be obtained from the DOJ or any other governmental authority prior to or following the consummation of the combination with Grupo Modelo may require, among other things, the divestiture of additional assets or businesses to third parties, changes to our operations, restrictions on our ability to operate in certain jurisdictions following the combination with Grupo Modelo, or other commitments to regulatory authorities regarding ongoing operations. Any such actions could have a material adverse effect on our business and diminish substantially the synergies and the advantages which we expect to achieve from the combination with Grupo Modelo. Further, if the parties and the DOJ are unable to resolve the litigation through settlement, the court could enjoin the parties from completing the combination with Grupo Modelo. Finally, any delay in obtaining any authorizations, approvals and/or clearance in any of the jurisdictions pending may require us or Grupo Modelo not to consummate the combination or integrate our businesses and operations in these jurisdictions.

*Other legal challenges*

We are now and may in the future be party to legal proceedings and claims related to the combination with Grupo Modelo. For example, certain private parties have brought a legal challenge to the transactions, and the court in this private action could enjoin the parties from completing the combination with Grupo Modelo or could further delay it. We intend to defend against it vigorously. For further information, see "Item 8. Financial Information—A. Consolidated Financial Statements and Other Financial Information—Legal and Arbitration Proceedings."

*Financing*

We have obtained financing for the combination with Grupo Modelo with a USD 14.0 billion senior facilities agreement dated 20 June 2012 that consists of an 8.0 billion USD three-year term facility and a 6.0 billion USD term facility with a maximum maturity of two years from the funding date. We have also raised USD 7.5 billion in senior unsecured bonds in July 2012 and EUR 2.25 billion in euro medium-term notes in September 2012 to support the combination with Grupo Modelo. In addition, in January 2013, we issued a further USD 4.0 billion in senior unsecured bonds, a further EUR 500 million in euro medium-term notes and CAD 1.2 billion in a private offering in Canada. For further information, see "Item 5. Operating and Financial Review—G. Liquidity and Capital Resources—Borrowings."

The increased level of debt could have significant consequences, including increasing our vulnerability to general adverse economic and industry conditions, limiting our ability to fund future working capital and capital expenditures, to engage in future acquisitions or development activities or to otherwise realize the value of our

assets and opportunities fully because of the need to dedicate a substantial portion of our cash flow from operations to payments of interest and principal on our debt or to comply with any restrictive terms of our debt, limiting our flexibility in planning for, or reacting to, changes in its business and the industry in which we operate, impairing our ability to obtain additional financing in the future, and placing us at a competitive disadvantage compared to our competitors who have less debt.

In addition, if we fail to comply with the covenants or other terms of any agreements governing our facilities or bonds, our lenders may have the right to accelerate the maturity of that debt. Our ability to repay our outstanding indebtedness will depend upon market conditions, and unfavorable conditions could increase costs beyond what is anticipated. Such costs could have a material adverse impact on cash flows or our results of operations or both. In addition, an inability to refinance all or a substantial amount of these debt obligations when they become due would have a material adverse effect on our financial condition and results of operations.

See also "Item 3. Key Information—D. Risk Factors—Risks Relating to our Business—We may not be able to obtain the necessary funding for our future capital or refinancing needs and we face financial risks due to our level of debt and uncertain market conditions."

*Downgrade*

Ratings agencies may downgrade our credit ratings below their current levels as a result of the combination with Grupo Modelo and the incurrence of the related financial indebtedness. A downgrading of our credit rating below investment grade may result in the need to refinance some of our outstanding indebtedness or the acceleration of existing indebtedness. Any credit rating downgrade could materially adversely affect our ability to finance our ongoing operations, and our ability to refinance the debt incurred to fund the combination with Grupo Modelo, including by increasing our cost of borrowing and significantly harming our financial condition, results of operations and profitability, including our ability to refinance our other existing indebtedness.

*Synergy*

Achieving the advantages of the combination with Grupo Modelo will depend partly on the rapid and efficient combination of our activities with Grupo Modelo, two companies of considerable size which functioned independently and were incorporated in different countries, with geographically dispersed operations, and with different business cultures and compensation structures.

The integration process involves inherent costs and uncertainties and there is no assurance that the combination with Grupo Modelo will achieve the anticipated business growth opportunities, cost savings, increased profits, synergies and other benefits we anticipate. We believe that we will be able to achieve annual synergies of approximately USD 1 billion, and we believe the consideration paid for the combination with Grupo Modelo is justified, in part, by the business growth opportunities, cost savings, increased profits, synergies, revenue benefits and other benefits Grupo Modelo expects to achieve by combining its operations with ours. However, these expected business growth opportunities, cost savings, increased profits, synergies and other benefits may not develop, and the assumptions upon which we determined the consideration paid for the combination with Grupo Modelo may prove to be incorrect.

Implementation of the combination with Grupo Modelo and the successful integration of Grupo Modelo will also require a significant amount of management time and, thus, may affect or impair management's ability to run the business effectively during the period of the combination with Grupo Modelo and integration. In addition, we may not have, or be able to retain, employees with the appropriate skill sets for the tasks associated with our integration plan, which could adversely affect the integration of Grupo Modelo.

Although the estimated expense savings and revenue synergies contemplated by the combination with Grupo Modelo are significant, there can be no assurance that we will realize these benefits in the time expected or at all. Any failures, material delays or unexpected costs of the integration process could therefore have a material adverse effect on our business, results of operations and financial condition.

***An impairment of goodwill or other intangible assets would adversely affect our financial condition and results of operations.***

As a result of the 2008 Anheuser-Busch acquisition, we recognized USD 32.9 billion of goodwill on our balance sheet and recorded several brands from the Anheuser-Busch business (including brands in the Budweiser brand family, the Michelob brand family, the Busch brand family and the Natural brand family) as intangible assets with indefinite life with a fair value of USD 21.4 billion. As of 31 December 2012, goodwill amounted to USD 51.8 billion and intangible assets with indefinite life amounted to USD 23.0 billion. If our business does not develop as expected, impairment charges may be incurred in the future that could be significant and that could have an adverse effect on our results of operations and financial condition.

***We rely on the reputation of our brands.***

Our success depends on our ability to maintain and enhance the image and reputation of our existing products and to develop a favorable image and reputation for new products. The image and reputation of our products may be reduced in the future; concerns about product quality, even when unfounded, could tarnish the image and reputation of our products. For example, in late February 2013, lawsuits were filed against us (which we will vigorously defend against) relating to the alcohol-by-volume in several of our beer brands that allege that the products contain lower alcohol-by-volume levels than what is stated on the labels. An event, or series of events, that materially damages the reputation of one or more of our brands could have an adverse effect on the value of that brand and subsequent revenues from that brand or business. Restoring the image and reputation of our products may be costly and may not be possible.

Moreover, our marketing efforts are subject to restrictions on the permissible advertising style, media and messages used. In a number of countries, for example, television is a prohibited medium for advertising alcoholic beverage products, and in other countries, television advertising, while permitted, is carefully regulated. For example, the Brazilian Federal Prosecutor's Office (*Ministério Público Federal*) in 2012 filed suits against the Brazilian Government to increase the restriction of beer advertising in Brazil. Any additional restrictions in such countries, or the introduction of similar restrictions in other countries, may constrain our brand building potential and thus reduce the value of our brands and related revenues.

***Negative publicity, perceived health risks and associated government regulation may harm our business.***

Media coverage, and publicity generally, can exert significant influence on consumer behavior and actions. If the social acceptability of beer or soft drinks were to decline significantly, sales of our products could materially decrease. In recent years, there has been increased public and political attention directed at the alcoholic beverage and food and soft drink industries. This attention is the result of health concerns related to the harmful use of alcohol, including drunk driving, excessive, abusive and underage drinking, as well as health concerns such as obesity and diabetes related to the overconsumption of food and soft drinks. Negative publicity regarding alcohol or soft drink consumption, publication of studies that indicate a significant health risk from consumption of alcohol or soft drinks, or changes in consumer perceptions in relation to alcohol or soft drinks generally could adversely affect the sale and consumption of our products and could harm our business, results of operations, cash flows or financial condition as consumers and customers change their purchasing patterns. For example, the Global Monitoring Framework (GMF) for Non-Communicable Diseases (NCDs) approved by the Executive Board of the World Health Organization (WHO) in January 2013 raised the profile of health risks related to the harmful use of alcohol. After a year-long discussion and numerous consultations, the GMF for NCDs calls for at least a 10% relative reduction in the harmful use of alcohol, as appropriate, within national contexts. For example, the Russian and Ukrainian authorities are considering legislative changes linked to concerns about the harmful use of alcohol. Russia adopted bans on the sale of beer in kiosks and the sale of beer between the hours of 11:00 pm and 8:00 am, a ban on beer advertisements on television, internet, printed media, radio and outdoor beer advertisements and a further increase in excise taxes by 25%, 20% and 11% in 2013, 2014 and 2015, respectively. Other legislative proposals discussed in Russia include a ban on PET packaging, stricter regulations on the ingredients and definition of "beer" and new labelling and health warning requirements. For 2013, the excise tax rate was increased in the Ukraine from UAH 0.81/liter to UAH 0.87/liter, and the government continues to look at proposals such as banning the sale of beer in kiosks and other points of sale close to social institutions, banning beer advertising and further increasing excise taxes. Concerns over alcohol abuse and underage drinking have also caused governments, including those in Argentina, Brazil, Russia, the United Kingdom and the United States, to consider measures such as increased taxation, implementation of minimum alcohol pricing regimes or other restrictions upon our commercial freedoms.

Key brand names are used by us, our subsidiaries, associates and joint ventures, and are licensed to third-party brewers. To the extent that we, one of our subsidiaries, associates, joint ventures or licensees are subject to negative publicity, and the negative publicity causes consumers and customers to change their purchasing patterns, it could have a material adverse effect on our business, results of operations, cash flows or financial condition. As we continue to expand our operations into emerging and growth markets, there is a greater risk that we may be subject to negative publicity, in particular in relation to labor rights and local work conditions. Negative publicity that materially damages the reputation of one or more of our brands could have an adverse effect on the value of that brand and subsequent revenues from that brand or business, which could adversely impact our business, results of operations, cash flows and financial condition.

***Demand for our products may be adversely affected by changes in consumer preferences and tastes.***

We depend on our ability to satisfy consumer preferences and tastes. Consumer preferences and tastes can change in unpredictable ways due to a variety of factors, such as changes in demographics, consumer health and wellness, concerns about obesity or alcohol consumption, product attributes and ingredients, changes in travel, vacation or leisure activity patterns, weather, negative publicity resulting from regulatory action or litigation against us or comparable companies or a downturn in economic conditions. Consumers also may begin to prefer the products of competitors or may generally reduce their demand for products in the category. Failure by us to anticipate or respond adequately either to changes in consumer preferences and tastes or to developments in new forms of media and marketing could adversely impact our business, results of operations and financial condition.

***Seasonal consumption cycles and adverse weather conditions may result in fluctuations in demand for our products.***

Seasonal consumption cycles and adverse weather conditions in the markets in which we operate may have an impact on our operations. This is particularly true in the summer months, when unseasonably cool or wet weather can affect sales volumes. Demand for beer is normally more depressed in our major markets in the Northern Hemisphere during the first and fourth quarters of each year, and our consolidated net revenue from those markets is therefore normally lower during this time. Although this risk is somewhat mitigated by our relatively balanced footprint in both hemispheres, we are relatively more exposed to the markets in the Northern Hemisphere than to the markets in the Southern Hemisphere, which could adversely impact our business, results of operations and financial condition.

***Climate change, or legal, regulatory or market measures to address climate change, may negatively affect our business or operations, and water scarcity or poor quality could negatively impact our production costs and capacity.***

There is a growing concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. In the event that such climate change has a negative effect on agricultural productivity, we may be subject to decreased availability or less favorable pricing for certain agricultural commodities that are necessary for our products, such as barley, hops, sugar and corn. In addition, public expectations for reductions in greenhouse gas emissions could result in increased energy, transportation and raw material costs and may require us to make additional investments in facilities and equipment due to increased regulatory pressures. As a result, the effects of climate change could have a long-term, material adverse impact on our business and results of operations.

We also face water scarcity risks. The availability of clean water is a limited resource in many parts of the world, facing unprecedented challenges from climate change and the resulting change in precipitation patterns and frequency of extreme weather, overexploitation, increasing pollution, and poor water management. As demand for water continues to increase around the world, and as water becomes scarcer and the quality of available water deteriorates, we may be affected by increasing production costs or capacity constraints, which could adversely affect our business and results of operations.

***If any of our products is defective or found to contain contaminants, we may be subject to product recalls or other liabilities.***

We take precautions to ensure that our beverage products are free from contaminants and that our packaging materials (such as bottles, crowns, cans and other containers) are free of defects. Such precautions include quality-control programs and various technologies for primary materials, the production process and our final products. We have established procedures to correct problems detected.

In the event that contamination or a defect does occur in the future, it may lead to business interruptions, product recalls or liability, each of which could have an adverse effect on our business, reputation, prospects, financial condition and results of operations.

Although we maintain insurance policies against certain product liability (but not product recall) risks, we may not be able to enforce our rights in respect of these policies, and, in the event that contamination or a defect occurs, any amounts that we recover may not be sufficient to offset any damage we may suffer, which could adversely impact our business, results of operations and financial condition.

***We may not be able to protect our intellectual property rights.***

Our future success depends significantly on our ability to protect our current and future brands and products and to defend our intellectual property rights, including trademarks, patents, domain names, trade secrets and know-how. We have been granted numerous trademark registrations covering our brands and products and have filed, and expect to continue to file, trademark and patent applications seeking to protect newly developed brands and products. We cannot be sure that trademark and patent registrations will be issued with respect to any of our applications. There is also a risk that we could, by omission, fail to renew a trademark or patent on a timely basis or that our competitors will challenge, invalidate or circumvent any existing or future trademarks and patents issued to, or licensed by, us.

Although we have taken appropriate action to protect our portfolio of intellectual property rights (including trademark registration and domain names), we cannot be certain that the steps we have taken will be sufficient or that third parties will not infringe upon or misappropriate proprietary rights. Moreover, some of the countries in which we operate offer less efficient intellectual property protection than is available in Europe or the United States. If we are unable to protect our proprietary rights against infringement or misappropriation, it could have a material adverse effect on our business, results of operations, cash flows or financial condition, and in particular, on our ability to develop our business.

***We rely on key third parties, including key suppliers, and the termination or modification of the arrangements with such third parties could negatively affect our business.***

We rely on key third-party suppliers, including third-party suppliers for a range of raw materials for beer and soft drinks such as malted barley, corn grits, corn syrup, rice, hops, water, flavored concentrate, fruit concentrate, sugar and sweetener, and for packaging material, such as glass, PET and aluminum bottles, aluminum or steel cans and kegs, labels, plastic crates, metal and plastic closures, folding cartons, cardboard products and plastic films.

We seek to limit our exposure to market fluctuations in these supplies by entering into medium- and long-term fixed-price arrangements. We have a limited number of suppliers of aluminum cans and glass bottles. Consolidation of the aluminum can industry, and glass bottle industry in certain markets in which we operate has reduced local supply alternatives and increased the risk of disruption to aluminum can, and glass bottle supplies. Although we generally have other suppliers of raw materials and packaging materials, the termination of or material change to arrangements with certain key suppliers, disagreements with suppliers as to payment or other terms, or the failure of a key supplier to meet our contractual obligations or otherwise deliver materials consistent with current usage would or may require us to make purchases from alternative suppliers, in each case at potentially higher prices than those agreed with this supplier, and this could have a material impact on our production, distribution and sale of beer and soft drinks and have a material adverse effect on our business, results of operations, cash flows or financial condition.

A number of our key brand names are both licensed to third-party brewers and used by companies over which we do not have control. However, we monitor brewing quality to ensure our high standards. For instance, our global brand Stella Artois is licensed to third parties in Algeria, Australia, Bulgaria, Croatia, Czech Republic, Hungary, Israel, New Zealand, and Romania, and another global brand, Beck's, is licensed to third parties in Algeria, Bulgaria, Croatia, Hungary, Turkey, Australia, New Zealand, Romania, Serbia, Tunisia and Montenegro. Finally, Budweiser is licensed to third parties in, amongst other countries, Argentina, India, Japan, South Korea, Panama, Italy, Ireland and Spain. See "Item 4. Information on the Company—B. Business Overview—8. Licensing" for more information in this respect. To the extent that one of these key brand names or our joint ventures, investments in companies in which we do not own a controlling interest and our licensees are subject to negative publicity, it could have a material adverse effect on our business, results of operations, cash flows or financial condition.

For certain packaging supplies and raw materials, we rely on a small number of important suppliers. If these suppliers became unable to continue to meet our requirements, and we are unable to develop alternative sources of supply, our operations and financial results could be adversely affected.

***The consolidation of retailers may adversely affect us.***

The retail industry in Europe and in many countries in which we operate continues to consolidate. Large retailers may seek to improve profitability and sales by asking for lower prices or increased trade spending. Although retailers purchase products from wholesalers (including in a number of markets, from our wholesaler operations), rather than directly from us, the efforts of retailers could result in reduced profitability for the beer industry as a whole and indirectly adversely affect our financial results.

***We could incur significant costs as a result of compliance with, and/or violations of or liabilities under, various regulations that govern our operations.***

Our business is highly regulated in many of the countries in which we or our licensed third partners operate. The regulations adopted by the authorities in these countries govern many parts of our operations, including brewing, marketing and advertising (in particular to ensure our advertising is directed to individuals of legal drinking age), transportation, distributor relationships and sales. We may be subject to claims that we have not complied with existing laws and regulations, which could result in fines, penalties or loss of operating licenses. We are also routinely subject to new or modified laws and regulations with which we must comply in order to avoid claims, fines and other penalties, which could adversely impact our business, results of operations and financial condition. We may also be subject to laws and regulations aimed at reducing the availability of beer products in some of our markets to address alcohol abuse and other social issues. There can be no assurance that we will not incur material costs or liabilities in connection with compliance with applicable regulatory requirements, or that such regulation will not interfere with our beer or soft drinks businesses.

The level of regulation to which our businesses are subject can be affected by changes in the public perception of beer and soft drinks consumption. In recent years, there has been increased social and political attention in certain countries directed at the alcoholic beverage and soft drinks industries, and governmental bodies may respond to any public criticism by implementing further regulatory restrictions on advertising, opening hours, drinking ages or marketing activities (including the marketing or selling of beer at sporting events). Such public concern and any resulting restrictions may cause the social acceptability of beer or soft drinks to decline significantly and consumption trends to shift away from these products, which would have a material adverse effect on our business, financial condition and results of operations. For common regulations and restrictions on us, see "Item 4. Information on the Company—B. Business Overview—11. Regulations Affecting Our Business" and "Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Governmental Regulations."

***We are exposed to the risk of litigation.***

We are now and may in the future be party to legal proceedings and claims and significant damages may be asserted against us. See "Item 8. Financial Information—A. Consolidated Financial Statements and Other Financial Information—Legal and Arbitration Proceedings" and "Item 5. Operating and Financial Review—H. Contractual Obligations and Contingencies—Contingencies" and note 31 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012 for a description of certain material contingencies which we believe are reasonably possible (but not probable) to be realized. Given the inherent uncertainty of litigation, it is possible that we might incur liabilities as a consequence of the proceedings and claims brought against us, including those that are not currently believed by us to be reasonably possible.

Moreover, companies in the alcoholic beverage industry are, from time to time, exposed to collective suits (class actions) or other litigation relating to alcohol advertising, alcohol abuse problems or health consequences from the excessive consumption of alcohol. As an illustration, certain beer and alcoholic beverage producers from Brazil, Canada, Europe and the United States have been involved in class actions and other litigation seeking damages for, among other things, alleged marketing of alcoholic beverages to underage consumers. If any of these types of litigation were to result in fines, damages or reputational damage for us, this could have a material adverse effect on our business, results of operations, cash flows or financial position.

See "Item 8. Financial Information—A. Consolidated Financial Statements and Other Financial Information—Legal and Arbitration Proceedings" for additional information on litigation matters.

***The beer and beverage industry may be subject to adverse changes in taxation.***

Taxation on our beer and non-beer products in the countries in which we operate is comprised of different taxes specific to each jurisdiction, such as excise and other indirect taxes. In many jurisdictions, such excise and other indirect taxes make up a large proportion of the cost of beer charged to customers. Increases in excise and other indirect taxes applicable to our products either on an absolute basis or relative to the levels applicable to other beverages tend to adversely affect our revenue or margins, both by reducing overall consumption of our products and by encouraging consumers to switch to other categories of beverages. These increases also adversely affect the affordability of our products and our profitability. In 2012, Brazil, France, Russia, Ukraine and the United Kingdom adopted legislation to increase beer excise taxes.

On 1 January 2010, Russia implemented an increase in the excise tax on regular-strength beer by 200% and, in 2009, Ukraine almost doubled the excise taxes on all beers. Since that time, taxes continue to increase. For example, as of 1 January 2011, the water tax in Ukraine further increased by 65%. In 2012, the Russian Parliament again passed a law to index excise taxes by 25%, 20% and 11% in 2013, 2014 and 2015, respectively, and Ukraine also increased its excise tax on beer. These tax increases have resulted in significant price increases in both countries, and continue to reduce our sales of beer. See "—Negative publicity, perceived health risks and associated government regulation may harm our business."

In the United States, the brewing industry is subject to significant taxation. The U.S. federal government currently levies an excise tax of USD 18 per barrel (equivalent to 1.1734776 hectoliters) on beer sold for consumption in the United States. All states also levy excise and/or sales taxes on alcoholic beverages. From time to time, there are proposals to increase these taxes, and in the future these taxes could increase. Increases in excise taxes on alcohol could adversely affect our United States business and its profitability.

Minimum pricing is another form of fiscal regulation that can affect our company's profitability. In 2012, the Scottish Government legislated to introduce a minimum unit price for alcoholic beverages. However, the implementation faces a delay, as the measure has been challenged in the Scottish courts and at the EU level. In November 2012, the UK Government published for consultation its own proposal to introduce a minimum unit price for alcoholic beverages, and Northern Ireland and the Republic of Ireland are also considering introducing a cross-border minimum unit price for alcoholic beverages.

Proposals to increase excise or other indirect taxes, including legislation regarding minimum alcohol pricing, may result from the current economic climate and may also be influenced by changes in the public perception regarding the consumption of alcohol and soft drinks. To the extent that the effect of the tax reforms described above or other proposed changes to excise and other indirect duties in the countries in which we operate is to increase the total burden of indirect taxation on our products, the results of our operations in those countries could be adversely affected.

In addition to excise and other indirect duties, we are subject to income and other taxes in the countries in which we operate. There can be no assurance that the operations of our breweries and other facilities will not become subject to increased taxation by national, local or foreign authorities or that we and our subsidiaries will not become subject to higher corporate income tax rates or to new or modified taxation regulations and requirements. Any such increases or changes in taxation would tend to adversely impact our results of operations.

***We are exposed to antitrust and competition laws in certain jurisdictions and the risk of changes in such laws or in the interpretation and enforcement of existing antitrust and competition laws.***

We are subject to antitrust and competition laws in the jurisdictions in which we operate, and in a number of jurisdictions we produce and/or sell a significant portion of the beer consumed. Consequently, we may be subject to regulatory scrutiny in certain of these jurisdictions. For instance, our Brazilian listed subsidiary, Ambev, has been subject to monitoring by antitrust authorities in Brazil (see "Item 8. Financial Information—A. Consolidated Financial Statements and Other Financial Information—Legal and Arbitration Proceedings—Ambev and its Subsidiaries—Antitrust Matters"). There can be no assurance that the introduction of new competition laws in the jurisdictions in which we operate, the interpretation of existing antitrust or competition laws or the enforcement of existing antitrust or competition laws, or any agreements with antitrust or competition authorities, against us or our subsidiaries, including Ambev, will not affect our business or the businesses of our subsidiaries in the future.

***Our operations are subject to environmental regulations, which could expose us to significant compliance costs and litigation relating to environmental issues.***

Our operations are subject to environmental regulations by national, state and local agencies, including, in certain cases, regulations that impose liability without regard to fault. These regulations can result in liability which might adversely affect our operations. The environmental regulatory climate in the markets in which we operate is becoming stricter, with a greater emphasis on enforcement.

While we have continuously invested in reducing our environmental risks and budgeted for future capital and operating expenditures to maintain compliance with environmental laws and regulations, there can be no assurance that we will not incur substantial environmental liability or that applicable environmental laws and regulations will not change or become more stringent in the future.

***We operate a joint venture in Cuba, in which the Government of Cuba is our joint venture partner. Cuba has been identified by the U.S. Department of State as a state sponsor of terrorism and is targeted by broad and comprehensive economic and trade sanctions of the United States. Our operations in Cuba may adversely affect our reputation and the liquidity and value of our securities.***

We own indirectly a 50% equity interest in Cerveceria Bucanero S.A., a Cuban company in the business of producing and selling beer. The other 50% equity interest is owned by the Government of Cuba. Cerveceria Bucanero S.A. is operated as a joint venture in which we appoint the general manager. Cerveceria Bucanero S.A.'s main brands are Bucanero and Cristal. In 2012, Cerveceria Bucanero S.A. sold 1.2 million hectoliters, representing about 0.31% of our global volume of 403 million hectoliters for the year. Although Cerveceria Bucanero S.A.'s production is primarily sold in Cuba, a small portion of its production is exported to and sold by certain distributors in other countries outside Cuba (but not the United States). Cerveceria Bucanero S.A. also imports and sells in Cuba a quantity of Beck's branded products produced by one of our German subsidiaries that is less than 5,000 hectoliters.

Cuba has been identified by the United States government as a state sponsor of terrorism, and the U.S. Treasury Department's Office of Foreign Assets Control and the U.S. Commerce Department together administer and enforce broad and comprehensive economic and trade sanctions based on U.S. foreign policy towards Cuba. Although our operations in Cuba are quantitatively immaterial, our overall business reputation may suffer or we may face additional regulatory scrutiny as a result of our activities in Cuba based on Cuba's identification as a state sponsor of terrorism and target of U.S. economic and trade sanctions. In addition, there are initiatives by federal and state lawmakers in the United States, and certain U.S. institutional investors, including pension funds, to adopt laws, regulations or policies requiring divestment from, or reporting of interests in, or to facilitate divestment from, companies that do business with countries designated as state sponsors of terrorism, including Cuba. If investors decide to liquidate or otherwise divest their investments in companies that have operations of any magnitude in Cuba, the market in and value of our securities could be adversely impacted.

In addition, the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (known as the "**Helms-Burton Act**") authorizes private lawsuits for damages against anyone who traffics in property confiscated without compensation by the Government of Cuba from persons who at the time were, or have since become, nationals of the United States. Although this section of the Helms-Burton Act is currently suspended by discretionary presidential action, the suspension may not continue in the future. Claims accrue notwithstanding the suspension and may be asserted if the suspension is discontinued. The Helms-Burton Act also includes a section that authorizes the U.S. Department of State to prohibit entry into the United States of non-U.S. persons who traffic in confiscated property, and corporate officers and principals of such persons, and their families. In 2009, we received notice of a claim purporting to be made under the Helms-Burton Act relating to the use of a trademark by Cerveceria Bucanero S.A., which is alleged to have been confiscated by the Cuban government and trafficked by us through our ownership and management of Cerveceria Bucanero S.A. Although we have attempted to review and evaluate the validity of the claim, due to the uncertain underlying circumstances, we are currently unable to express a view as to the validity of such claims, or as to the standing of the claimants to pursue them.

***We may not be able to recruit or retain key personnel.***

In order to develop, support and market our products, we must hire and retain skilled employees with particular expertise. The implementation of our strategic business plans could be undermined by a failure to recruit or retain key personnel or the unexpected loss of senior employees, including in acquired companies. We face various challenges inherent in the management of a large number of employees over diverse geographical regions. Key employees may choose to leave their employment for a variety of reasons, including reasons beyond our control. The impact of the departure of key employees cannot be determined and may depend on, among other things, our ability to recruit other individuals of similar experience and skill. It is not certain that we will be able to attract or retain key employees and successfully manage them, which could disrupt our business and have an unfavorable material effect on our financial position, income from operations and competitive position.

***We are exposed to labor strikes and disputes that could lead to a negative impact on our costs and production level.***

Our success depends on maintaining good relations with our workforce. In several of our operations, a majority of our workforce is unionized. For instance, a majority of the hourly employees at our breweries in several key countries in different geographies are represented by unions. Our production may be affected by work stoppages or slowdowns as a result of disputes under existing collective labor agreements with labor unions. We may not be able to satisfactorily renegotiate our collective labor agreements when they expire and may face tougher negotiations or higher wage and benefit demands. Furthermore, a work stoppage or slowdown at our facilities could interrupt the transport of raw materials from our suppliers or the transport of our products to our customers. Such disruptions could put a strain on our relationships with suppliers and clients and may have lasting effects on our business even after the disputes with our labor force have been resolved, including as a result of negative publicity.

Our production may also be affected by work stoppages or slowdowns that affect our suppliers, distributors and retail delivery/logistics providers as a result of disputes under existing collective labor agreements with labor unions, in connection with negotiations of new collective labor agreements, as a result of supplier financial distress, or for other reasons.

A strike, work stoppage or slowdown within our operations or those of our suppliers, or an interruption or shortage of raw materials for any other reason (including but not limited to financial distress, natural disaster, or difficulties affecting a supplier) could have a material adverse effect on our earnings, financial condition and ability to operate our business.

***Information technology failures could disrupt our operations.***

We rely on information technology systems to process, transmit, and store electronic information. A significant portion of the communication between our personnel, customers, and suppliers depends on information technology. As with all large systems, our information systems may be vulnerable to a variety of interruptions due to events beyond our control, including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers or other security issues.

We depend on information technology to enable us to operate efficiently and interface with customers, as well as to maintain in-house management and control. We have also entered into various information technology services agreements pursuant to which our information technology infrastructure is outsourced to leading vendors.

In addition, the concentration of processes in shared services centers means that any technology disruption could impact a large portion of our business within the operating zones served. If we do not allocate, and effectively manage, the resources necessary to build and sustain the proper technology infrastructure, we could be subject to transaction errors, processing inefficiencies, loss of customers, business disruptions, or the loss of or damage to intellectual property through security breach. As with all information technology systems, our system could also be penetrated by outside parties intent on extracting information, corrupting information or disrupting business processes.

We take various actions with the aim of minimizing potential technology disruptions, such as investing in intrusion detection solutions, proceeding with internal and external security assessments, building and implementing disaster recovery plans and reviewing risk management processes. Notwithstanding our efforts, technology disruptions could disrupt our business. For example, if outside parties gained access to confidential data or strategic information and appropriated such information or made such information public, this could harm our reputation or our competitive advantage. More generally, technology disruptions could have a material adverse effect on our business, results of operations, cash flows or financial condition.

We experience from time to time attempted breaches of our technology systems and networks. In 2012, we experienced and expect to continue experiencing attempted breaches of our technology systems and networks. None of the attempted breaches on our systems (as a result of cyber-attacks, security breaches or similar events) had a material impact on our business or operations or resulted in material unauthorized access to our data.

***Natural and other disasters could disrupt our operations.***

Our business and operating results could be negatively impacted by social, technical or physical risks such as earthquakes, hurricanes, flooding, fire, power loss, loss of water supply, telecommunications and information technology system failures, political instability, military conflict and uncertainties arising from terrorist attacks, including a global economic slowdown, the economic consequences of any military action and associated political instability.

***Our insurance coverage may not be sufficient.***

The cost of some of our insurance policies could increase in the future. In addition, some types of losses, such as losses resulting from wars, acts of terrorism, or natural disasters, generally are not insured because they are either uninsurable or it is not economically practical to obtain insurance. Moreover, insurers recently have become more reluctant to insure against these types of events. Should an uninsured loss or a loss in excess of insured limits occur, this could adversely impact our business, results of operations and financial condition.

***The audit report included in this annual report is prepared by an auditor who is not inspected by the Public Company Accounting Oversight Board and, as such, you are deprived of the benefits of such inspection***

Auditors of companies that are registered with the U.S. Securities and Exchange Commission and traded publicly in the United States, including our independent registered public accounting firm, must be registered with the U.S. Public Company Accounting Oversight Board (United States) (the "**PCAOB**") and are required by the laws of the United States to undergo regular inspections by the PCAOB to assess their compliance with the laws of the United States and professional standards. Because our auditors are located in Belgium, a jurisdiction where the PCAOB is currently unable to conduct inspections without the approval of the Belgian authorities, our auditors are not currently inspected by the PCAOB.

This lack of PCAOB inspections in Belgium prevents the PCAOB from regularly evaluating audits and quality control procedures of any auditors operating in Belgium, including our auditors. As a result, investors may be deprived of the benefits of PCAOB inspections.

The inability of the PCAOB to conduct inspections of auditors in Belgium makes it more difficult to evaluate the effectiveness of our auditor's audit procedures or quality control procedures as compared to auditors outside of Belgium that are subject to PCAOB inspections.

**Risks Related to Our Shares and American Depositary Shares**

***The market price of our shares and ADSs may be volatile.***

The market price of our shares and ADSs may be volatile as a result of various factors, many of which are beyond our control. These factors include, but are not limited to, the following:

- market expectations for our financial performance;
- actual or anticipated fluctuations in our results of operations and financial condition;
- changes in the estimates of our results of operations by securities analysts;
- potential or actual sales of blocks of our shares or ADSs in the market by any shareholder or short selling of our shares or ADSs. Any such transaction could occur at any time or from time to time, with or without notice;
- the entrance of new competitors or new products in the markets in which we operate;
- volatility in the market as a whole or investor perception of the beverage industry or of our competitors; and
- the risk factors mentioned in this section.

The market price of our shares and ADSs may be adversely affected by any of the preceding or other factors regardless of our actual results of operations and financial condition.

***Our controlling shareholder may use its controlling interest to take actions not supported by our minority shareholders.***

As of 31 December 2012, our controlling shareholder (Stichting Anheuser-Busch InBev) owned 41.27% of our voting rights (and Stichting Anheuser-Busch InBev and certain other entities acting in concert with it held, in the aggregate, 52.23% of our voting rights), in each case based on the number of our shares outstanding on 31 December 2012 (see "Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders").

Stichting Anheuser-Busch InBev has the ability to effectively control or have a significant influence on the election of our Board of Directors and the outcome of corporate actions requiring shareholder approval, including dividend policy, mergers, share capital increases, going-private transactions and other extraordinary transactions. See "Item 10. Additional Information—B. Memorandum and Articles of Association and Other Share Information—Description of the Rights and Benefits Attached to Our Shares" for further information in this respect. The interests and time horizons of Stichting Anheuser-Busch InBev may differ from those of other shareholders. As a result of its influence on our business, Stichting Anheuser-Busch InBev could prevent us from making certain decisions or taking certain actions that would protect the interests of our other shareholders. For example, this concentration of ownership may delay or prevent a change of control of Anheuser-Busch InBev SA/NV, even in the event that this change of control may benefit other shareholders generally. Similarly, Stichting Anheuser-Busch InBev could prevent us from taking certain actions that would dilute its percentage interest in our shares, even if such actions would generally be beneficial to us and/or to other shareholders. These and other factors related to Stichting Anheuser-Busch InBev's holding of a controlling interest in our shares may reduce the liquidity of our shares and ADSs and their attractiveness to investors.

***Fluctuations in the exchange rate between the U.S. dollar and the euro may increase the risk of holding our ADSs and shares.***

Our shares currently trade on Euronext Brussels in euros and our ADSs trade on the New York Stock Exchange ("**NYSE**") in U.S. dollars. Fluctuations in the exchange rate between the U.S. dollar and the euro may result in temporary differences between the value of our ADSs and the value of our ordinary shares, which may result in heavy trading by investors seeking to exploit such differences. For example, uncertainty regarding the ability of eurozone governments to resolve the eurozone sovereign debt crisis, including the possibility of an exit by one or more eurozone countries from the single currency, could lead to euro exchange rates becoming highly volatile and unpredictable. Similarly, uncertainty over fiscal and budgetary challenges in the United States may negatively impact global economic conditions, and could trigger sharply increased trading and consequent market fluctuations, which would increase the volatility of, and may have an adverse effect upon, the price of our shares or ADSs.

In addition, as a result of fluctuations in the exchange rate between the U.S. dollar and the euro, the U.S. dollar equivalent of the proceeds that a holder of our ADSs would receive upon the sale in Belgium of any shares withdrawn from the American Depositary Receipt ("**ADR**") depositary and the U.S. dollar equivalent of any cash dividends paid in euros on our shares represented by the ADSs could also decline.

***Future equity issuances may dilute the holdings of current shareholders or ADS holders and could materially affect the market price of our shares or ADSs.***

We may in the future decide to offer additional equity to raise capital or for other purposes. Any such additional offering could reduce the proportionate ownership and voting interests of holders of our shares and ADSs, as well as our earnings per share or ADS and net asset value per share or ADS, and any offerings by us or our main shareholders could have an adverse effect on the market price of our shares and ADSs.

***Investors may not be able to participate in equity offerings, and ADS holders may not receive any value for rights that we may grant.***

Our constitutional documents provide for preference rights to be granted to our existing shareholders unless such rights are disapplied by resolution of our shareholders' meeting or the Board of Directors. Our shareholders' meeting or Board of Directors may disapply such rights in future equity offerings. In addition, certain shareholders (including those in the United States, Australia, Canada or Japan) may not be entitled to exercise such rights even if they are not disapplied unless the rights and related shares are registered or qualified for sale under the relevant legislation or regulatory framework. As a result, there is the risk that investors may suffer dilution of their shareholding should they not be permitted to participate in preference right equity or other offerings that we may conduct in the future.

If rights are granted to our shareholders, but the ADR depositary is unable to sell rights corresponding to shares represented by ADSs that are not exercised by, or distributed to, ADS holders, or if the sale of such rights is not lawful or reasonably practicable, the ADR depositary will allow the rights to lapse, in which case ADS holders will receive no value for such rights.

***ADS holders may not be able to exercise their right to vote the shares underlying our ADSs.***

Holders of ADSs may exercise voting rights with respect to the shares represented by our ADSs only in accordance with the provisions of the deposit agreement. The deposit agreement provides that, upon receipt of a notice of any meeting of holders of our shares, the depositary will, if we so request, distribute to the ADS holders a notice which shall contain (i) such information as is contained in the notice of the meeting sent by us, (ii) a statement that the ADS holder as of the specified record date shall be entitled to instruct the ADR depositary as to the exercise of voting rights and (iii) a statement as to the manner in which instructions may be given by the holders.

Holders of ADSs may instruct the ADR depositary to vote the shares underlying their ADSs, but only if we ask the ADR depositary to ask for their instructions. Otherwise, ADS holders will not be able to exercise their right to vote, unless they withdraw our shares underlying the ADSs they hold. However, ADS holders may not know about the meeting far enough in advance to withdraw those shares. If we ask for the instructions of ADS holders, the depositary, upon timely notice from us, will notify ADS holders of the upcoming vote and arrange to deliver our voting materials to them. We cannot guarantee ADS holders that they will receive the voting materials in time to ensure that they can instruct the ADR depositary to vote their shares. In addition, the ADR depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that ADS holders may not be able to exercise their right to vote, and there may be nothing they can do if the shares underlying their ADSs are not voted as requested.

***ADS holders may be subject to limitations on the transfer of their ADSs.***

ADSs are transferable on the books of the depositary. However, the ADR depositary may refuse to deliver, transfer or register transfers of ADSs generally when the books of the ADR depositary are closed or if such action is deemed necessary or advisable by the ADR depositary or by us because of any requirement of law or of any government or governmental body or commission or under any provision of the deposit agreement. Moreover, the surrender of ADSs and withdrawal of our shares may be suspended subject to the payment of fees, taxes and similar charges or if we direct the ADR depositary at any time to cease new issuances and withdrawals of our shares during periods specified by us in connection with shareholders' meetings, the payment of dividends or as otherwise reasonably necessary for compliance with any applicable laws or government regulations.

***Shareholders may not enjoy under Belgian corporate law and our articles of association certain of the rights and protection generally afforded to shareholders of U.S. companies under U.S. federal and state laws and the NYSE rules.***

We are a public limited liability company incorporated under the laws of Belgium. The rights provided to our shareholders under Belgian corporate law and our articles of association differ in certain respects from the rights that you would typically enjoy as a shareholder of a U.S. company under applicable U.S. federal and/or state laws. In general, the Belgian Corporate Governance Code is a code of best practice applying to listed companies on a non-binding basis. The Code applies a "comply or explain" approach, that is, companies may depart from the Code's provisions if, as required by law, they give a reasoned explanation of the reasons for doing so.

We are relying on a provision in the NYSE Listed Company Manual that allows us to follow Belgian corporate law and the Belgian Corporate Governance Code with regard to certain aspects of corporate governance. This allows us to continue following certain corporate governance practices that differ in significant respects from the corporate governance requirements applicable to U.S. companies listed on the NYSE. In particular, the NYSE rules require a majority of the directors of a listed U.S. company to be independent while, in Belgium, only three directors need be independent. Our board currently comprises three independent directors and eight non-independent directors. See "Item 6. Directors, Senior Management and Employees—Directors and Senior Management—Board of Directors." The NYSE rules further require that each of the nominating, compensation and audit committees of a listed U.S. company be comprised entirely of independent directors. However, the Belgian Corporate Governance Code recommends only that a majority of the directors on each of these committees meet the technical requirements for independence under Belgian corporate law. All voting members of the Audit Committee are independent under

the NYSE rules and Rule 10A-3 of the Securities Exchange Act of 1934. Our Nomination Committee and Remuneration Committee have members who would not be considered independent under NYSE rules, and therefore our Nomination Committee and Remuneration Committee would not be in compliance with the NYSE Corporate Governance Standards for domestic issuers in respect of independence of these committees. However, both our Nomination Committee and Remuneration Committee are composed exclusively of non-executive directors who are independent of management and whom we consider to be free of any business or other relationship which could materially interfere with the exercise of their independent judgment. See "Item 6. Directors, Senior Management and Employees—C. Board Practices—General—Information about Our Committees."

Under Belgian corporate law, other than certain limited information that we must make public, our shareholders may not ask for an inspection of our corporate records, while under Delaware corporate law any shareholder, irrespective of the size of his or her shareholdings, may do so. Shareholders of a Belgian corporation are also unable to initiate a derivative action, a remedy typically available to shareholders of U.S. companies, in order to enforce a right of Anheuser-Busch InBev, in case we fail to enforce such right ourselves, other than in certain cases of director liability under limited circumstances. In addition, a majority of our shareholders may release a director from any claim of liability we may have, including if he or she has acted in bad faith or has breached his or her duty of loyalty, provided, in some cases, that the relevant acts were specifically mentioned in the convening notice to the shareholders' meeting deliberating on the discharge. In contrast, most U.S. federal and state laws prohibit a company or its shareholders from releasing a director from liability altogether if he or she has acted in bad faith or has breached his or her duty of loyalty to the company. Finally, Belgian corporate law does not provide any form of appraisal rights in the case of a business combination.

For additional information on these and other aspects of Belgian corporate law and our articles of association, see "Item 10. Additional Information—B. Memorandum and Articles of Association and Other Share Information." As a result of these differences between Belgian corporate law and our articles of association, on the one hand, and U.S. federal and state laws, on the other hand, in certain instances, you could receive less protection as a shareholder of our company than you would as a shareholder of a U.S. company.

***As a "foreign private issuer" in the United States, we are exempt from a number of rules under the U.S. securities laws and are permitted to file less information with the SEC.***

As a "foreign private issuer," we are exempt from certain rules under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), that impose certain disclosure obligations and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, our officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions under Section 16 of the Exchange Act. Moreover, we are not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. Accordingly, there may be less publicly available information concerning us than there is for U.S. public companies.

***It may be difficult for investors outside Belgium to serve process on or enforce foreign judgments against us.***

We are a Belgian public limited liability company. Certain of the members of our Board of Directors and Executive Board of Management and certain of the persons named herein are non-residents of the United States. All or a substantial portion of the assets of such non-resident persons and certain of our assets are located outside the United States. As a result, it may not be possible for investors to effect service of process upon such persons or on us or to enforce against them or us a judgment obtained in U.S. courts. Original actions or actions for the enforcement of judgments of U.S. courts relating to the civil liability provisions of the federal or state securities laws of the United States are not directly enforceable in Belgium. The United States and Belgium do not currently have a multilateral or bilateral treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, in civil and commercial matters. In order for a final judgment for the payment of money rendered by U.S. courts based on civil liability to produce any effect on Belgian soil, it is accordingly required that this judgment be recognized or be declared enforceable by a Belgian court pursuant to the relevant provisions of the 2004 Belgian Code of Private International Law. Recognition or enforcement does not imply a review of the merits of the case and is irrespective of any reciprocity requirement. A U.S. judgment will, however, not be recognized or declared enforceable in Belgium if it infringes upon one or more of the grounds for refusal which are exhaustively listed in

Article 25 of the Belgian Code of Private International Law. In addition to recognition or enforcement, a judgment by a federal or state court in the United States against us may also serve as evidence in a similar action in a Belgian court if it meets the conditions required for the authenticity of judgments according to the law of the state where it was rendered.

***Shareholders in jurisdictions with currencies other than the euro face additional investment risk from currency exchange rate fluctuations in connection with their holding of our shares.***

Any future payments of dividends on shares will be denominated in euro. The U.S. dollar — or other currency — equivalent of any dividends paid on our shares or received in connection with any sale of our shares could be adversely affected by the depreciation of the euro against these other currencies.

## ITEM 4. INFORMATION ON THE COMPANY

### A. HISTORY AND DEVELOPMENT OF THE COMPANY

We are the world's largest brewing company by volume, and one of the world's four largest consumer products companies. As a consumer-centric, sales-driven company, we produce, market, distribute and sell a strong, balanced portfolio of well over 200 beer brands. These include global flagship brands Budweiser, Stella Artois and Beck's; multi-country brands such as Leffe and Hoegaarden; and many "local champions" such as Bud Light, Michelob, Skol, Brahma, Antarctica, Quilmes, Jupiler, Hasseroder, Klinskoye, Sibirskaya Korona, Chernigivske, Harbin and Sedrin. We also produce and distribute soft drinks, particularly in Latin America.

Our brewing heritage and quality are rooted in brewing traditions that originate from the Den Hoorn brewery in Leuven, Belgium, dating back to 1366, and those of Anheuser & Co. brewery, established in 1852 in St. Louis, U.S.A. As of 31 December 2012, we employed approximately 118,000 people, with operations in 23 countries across the world. Given the breadth of our operations, we are organized along seven business zones or segments: North America, Latin America North, Latin America South, Western Europe, Central & Eastern Europe, Asia Pacific and Global Export & Holding Companies. The first six correspond to specific geographic regions in which our operations are based. As a result, we have a global footprint with a balanced exposure to developed and developing markets and production facilities spread across our six geographic regions.

We have significant brewing operations within the developed markets of North America, and the North America business zone accounted for 31.1% of our consolidated volumes for the year ended 31 December 2012. We also have significant exposure to fast-growing developing markets in Latin America North (which accounted for 31.3% of our consolidated volumes in the year ended 31 December 2012), Asia Pacific (which accounted for 14.3% of our consolidated volumes in the year ended 31 December 2012) and Latin America South (which accounted for 8.5% of our consolidated volumes in the year ended 31 December 2012).

Our 2012 volumes (beer and non-beer) were 403 million hectoliters and our revenue amounted to USD 39.8 billion.

On 29 June 2012, we announced our agreement to acquire the remaining stake in Grupo Modelo that we do not already own in cash in a transaction valued at USD 20.1 billion, subject to regulatory approvals in the United States and Mexico and other customary closing conditions. See details in "—History and Development of the Company" below.

#### Registration and Main Corporate Details

Anheuser-Busch InBev SA/NV was incorporated on 2 August 1977 for an unlimited duration under the laws of Belgium under the original name BEMES. It has the legal form of a public limited liability company (*naamloze vennootschap/société anonyme*). Its registered office is located at Grand-Place/Grote Markt 1, 1000 Brussels, Belgium, and it is registered with the Register of Legal Entities of Brussels under the number 0417.497.106. Our global headquarters are located at Brouwerijplein 1, 3000 Leuven, Belgium (tel.: +32 16 27 61 11). Our agent in the United States is Anheuser-Busch InBev Services LLC, 250 Park Avenue, 2nd Floor, New York, NY 10177.

We are a publicly traded company, listed on Euronext Brussels under the symbol ABI. ADSs representing rights to receive our ordinary shares trade on the NYSE under the symbol BUD.

**History and Development of the Company**

Our roots can be traced back to Den Hoorn in Leuven, which began making beer in 1366. In 1717 Sébastien Artois, master brewer of Den Hoorn, took over the brewery and renamed it Sébastien Artois.

In 1987, the two largest breweries in Belgium merged: Brouwerijen Artois NV, located in Leuven, and Brasserie Piedboeuf SA, founded in 1853 and located in Jupille, resulting in the formation of Interbrew SA ("**Interbrew**"). Following this merger, Interbrew acquired a number of local breweries in Belgium. By 1991, a second phase of targeted external growth began outside Belgium's borders. The first transaction in this phase took place in Hungary with the acquisition of Borsodi Sorgyar in 1991, followed in 1995 by the acquisition of John Labatt Ltd. in Canada and then in 1999 by a joint venture with SUN Brewing in Russia and Ukraine.

Interbrew operated as a family-owned business until December 2000, the time of its initial public offering on Euronext Brussels.

The period since the listing of Interbrew on Euronext Brussels has been marked by increasing geographical diversification. In 2000, Interbrew acquired Bass Brewers and Whitbread Beer Company in the United Kingdom, and in 2001 it established itself in Germany with the acquisition of Brauerei Diebels GmbH & Co KG. This was followed by the acquisition in 2002 of Brauerei Beck GmbH & Co KG. and of the Gilde Group. In 2002, Interbrew strengthened its position in China by acquiring stakes in the K.K. Brewery and the Zhujiang Brewery. In 2004, Interbrew acquired Spaten-Franziskaner Bräu KGaA.

2004 marked a significant event in our history: the combination of Interbrew and Ambev, a Brazilian company listed (and currently still listed) on the New York Stock Exchange and on the São Paulo Stock Exchange, resulting in the creation of InBev. At the time of the combination, Ambev was the world's fifth largest brewer, with a significant presence in the Brazilian market, as well as strong positions throughout Latin America. As of 31 December 2012, we had a 74.05% voting interest in Ambev, and a 61.87% economic interest.

In 2003, we also acquired, through Ambev, our initial 50.64% interest in Quilmes Industrial S.A. ("**Quinsa**"), thereby strengthening our foothold in Argentina, Bolivia, Chile, Paraguay and Uruguay. Following a series of transactions and a restructuring in 2010, Ambev now owns 100% of the total share capital of the holding company with operating subsidiaries in Argentina and other South American countries. The Ambev and Quinsa transactions allowed InBev to position itself in the Latin American beer market and also to gain a presence in the soft drinks market (as Ambev is one of PepsiCo's largest independent bottlers in the world).

In 2004, InBev acquired the China brewery activities of the Lion Group.

In 2004, InBev and Sun Trade (International) Ltd. ("**Sun Trade**"), the controlling shareholders of Sun Interbrew Ltd. reached an agreement whereby InBev acquired Sun Trade's voting and economic interests in Sun Interbrew Plc (then known as "**Sun Interbrew Ltd.**"). Furthermore, in January 2005, InBev reached an agreement with Alfa-Eco, whereby InBev acquired all of Alfa-Eco's holding of voting and non-voting shares in Sun Interbrew Ltd. On completion of the above transaction, and taking into consideration market purchases performed in 2005, InBev owned a 99.8% economic interest in Sun Interbrew Ltd.

In 2006, InBev acquired Fujian Sedrin Brewery Co. Ltd., the largest brewer in the Fujian province of China, making InBev a major brewer in China, the world's largest beer market by volume. The acquisition of the Sedrin brand also allowed InBev to strengthen its Chinese products portfolio.

In May 2007, InBev announced a long-term joint venture agreement with the RKJ group, a leading beverage group operating in India. As of 1 April 2009, the joint venture vehicle began selling, marketing and distributing Budweiser in India. We expect that the venture will build a meaningful presence in India over time.

In March 2008, InBev reached an agreement with its Chinese partner in the InBev Shiliang (Zhejiang) Brewery to increase InBev's stake in this business to 100%. The deal was approved by the relevant authorities in June 2008. This step enabled InBev to strengthen its position in the Zhejiang province in China.

On 13 July 2008, InBev and Anheuser-Busch announced their agreement to combine the two companies by way of an offer by InBev of USD 70 per share in cash for all outstanding shares of Anheuser-Busch. The total amount of funds necessary to consummate the 2008 Anheuser-Busch acquisition was approximately USD 54.8 billion, including the payment of USD 52.5 billion to shareholders of Anheuser-Busch, refinancing certain Anheuser-Busch indebtedness, payment of all transaction charges, fees and expenses and the amount of fees and expenses and accrued but unpaid interest to be paid on Anheuser-Busch's outstanding indebtedness. InBev shareholders approved the 2008 Anheuser-Busch acquisition at InBev's extraordinary shareholders meeting on 29 September 2008 and, on 12 November 2008, a majority of Anheuser-Busch shares voted to approve the transaction at a special shareholders meeting of Anheuser-Busch. The 2008 Anheuser-Busch acquisition was completed, and the certificate of merger filed, on 18 November 2008. As a result of the merger, we changed our name to Anheuser-Busch InBev SA/NV.

In November 2008, InBev agreed to divest the assets of InBev USA LLC as a condition for clearance from the U.S. Department of Justice for its acquisition of Anheuser-Busch. On 13 March 2009, we announced that we had completed the sale of the assets of InBev USA LLC (d/b/a Labatt USA) to an affiliate of KPS Capital Partners, LP. Under the terms of the agreement announced on 23 February 2009, KPS Capital Partners, LP acquired the assets of Labatt USA and an exclusive license, granted by Labatt, (i) to brew Labatt branded beer in the United States or Canada solely for sale for consumption in the United States; (ii) to distribute, market and sell Labatt branded beer for consumption in the United States; and (iii) to use the relevant trademarks and intellectual property to do so. On 11 August 2009, the U.S. District Court for the District of Columbia gave final approval to the settlement proposed by the U.S. Department of Justice in connection with our acquisition.

Beginning in 2003, Anheuser-Busch participated in a strategic alliance with Tsingtao, one of the largest brewers in China and producer of the Tsingtao brand. Through the 2008 Anheuser-Busch acquisition, we acquired Anheuser-Busch's 27% economic ownership interest and a 20% voting interest in Tsingtao. On 30 April 2009, we completed the sale of a 19.9% minority stake in Tsingtao to Asahi Breweries, Ltd. On 8 May 2009, we announced that we had entered into an agreement with a private investor, Mr. Chen Fashu, to sell our remaining 7% stake in Tsingtao. On 5 June 2009, we announced that the transaction had closed.

On 24 July 2009, we completed the sale of our South Korean subsidiary, Oriental Brewery, to an affiliate of Kohlberg Kravis Roberts & Co. L.P. for USD 1.8 billion, which resulted in USD 1.5 billion of cash proceeds and receipt of a USD 0.3 billion note receivable at closing. On 12 March 2010, the note receivable was sold for USD 0.3 billion in cash. Under the terms of the agreement, we will continue our relationship with Oriental Brewery through granting Oriental Brewery exclusive licenses to distribute certain brands in South Korea including Budweiser, Bud Ice and Hoegaarden, and by having an ongoing interest in Oriental Brewery through an agreed earn-out. In addition, we have the right, but not the obligation, to reacquire Oriental Brewery five years after the closing of the transaction based on predetermined financial terms.

On 29 September 2009, we completed the sale of our Tennent's Lager brand and associated trading assets in Scotland, Northern Ireland and the Republic of Ireland (part of InBev UK Limited) to C&C Group plc for a total enterprise value of GBP 180 million. Included in the sale were the Glasgow Wellpark Brewery in Scotland, where Tennent's Lager is brewed, rights to the Tennent's Lager brand itself, Tennent's Ales and assets located in Scotland, Northern Ireland and the Republic of Ireland. As part of the agreement, we appointed C&C Group as distributor of certain of our brands in Scotland, Northern Ireland and the Republic of Ireland, and C&C Group granted us a license to use the Tennent's Super and Tennent's Pilsner brands in certain jurisdictions.

On 1 October 2009, we completed the sale of four metal beverage can and lid manufacturing plants from our U.S. metal packaging subsidiary, Metal Container Corporation, to Ball Corporation for approximately USD 577

million. The divested plants were primarily responsible for the production of cans for soft drinks. In connection with this transaction, Ball Corporation entered into a long-term supply agreement to continue to supply us with metal beverage cans and lids from the divested plants and committed, as part of the acquisition agreement, to offer employment to each active employee of the plants.

On 1 December 2009, we completed the sale of our indirect wholly-owned subsidiary, Busch Entertainment Corporation, to an entity established by Blackstone Capital Partners V L.P. for up to USD 2.7 billion. The purchase price was comprised of a cash payment of USD 2.3 billion and a right to participate in Blackstone Capital Partners' return on its initial investment, which is capped at USD 400 million.

On 2 December 2009, we completed the sale of our Central European operations to CVC Capital Partners for an enterprise value of USD 2.2 billion, of which USD 1.6 billion was cash, USD 448 million was received as an unsecured deferred payment obligation with a six-year maturity and USD 165 million represents the estimated value to minorities. Under the terms of the agreement, our operations in Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Montenegro, Romania, Serbia and Slovakia were sold. On 15 July 2011, the deferred payment obligation, including accrued interest, was sold for USD 0.5 billion in cash. At the time of the 2009 sale to CVC Capital Partners, we also received additional rights under a Contingent Value Right Agreement to a future payment that was contingent on CVC's return on its initial investments. On 15 June 2012, CVC sold the business to Molson Coors Brewing Company for an aggregate consideration of EUR 2.65 billion. We believe that as a result of the sale to Molson, the return earned by CVC Capital Partners triggered our right to a further payment under the CVR Agreement. On 25 October 2012, CVC Capital Partners issued proceedings against us in the English Commercial Court in relation to the CVR Agreement and sought a declaration that the return it received following the sale to Molson did not trigger our right to payment. We served our defense and counterclaim on 19 December 2012. The amount we are able to recover will depend on discovery and calculation criteria to be explored at trial.

By the end of 2009, we had completed our formal divestiture program resulting from the 2008 Anheuser-Busch acquisition, exceeding our target of USD 7.0 billion, with approximately USD 9.4 billion of asset disposals of which approximately USD 7.4 billion were realized cash proceeds.

On 20 October 2010, Ambev and Cerveceria Regional S.A. closed a transaction pursuant to which they combined their businesses in Venezuela, with Regional owning an 85% interest and Ambev owning the remaining 15% in the new company, which may be increased to 20% over the next four years.

On 28 February 2011, we closed a transaction with Dalian Daxue Group Co., Ltd and Kirin (China) Investment Co., Ltd to acquire a 100% equity interest in Liaoning Dalian Daxue Brewery Co., Ltd., which is among the top three breweries in Liaoning province. Daxue brews, markets and distributes major beer brands including "Daxue", "Xiao Bang" and "Da Bang" which are popular beer brands in the south of Liaoning province, with a total sales volume of over two million hectoliters in 2010.

On 1 May 2011, we acquired Fulton Street Brewery LLC, also known as Goose Island, a Midwest craft brewer in the United States. Goose Island brews ales, such as 312 Urban Wheat Ale, Honkers Ale, India Pale Ale, Matilda, Pere Jacques, Sofie and a wide variety of seasonal draft only and barrel-aged releases, including Bourbon County Stout, the original bourbon barrel-aged beer.

On 31 May 2011, we closed a transaction with Henan Weixue Beer Group Co. Ltd to acquire its brands (Weixue and JiGongshan), assets and business, including its Xinyang brewery, Zhengzhou brewery and Gushi Brewery.

Effective as of 1 October 2011, our subsidiary Anheuser-Busch Companies, Inc., a Delaware corporation, converted to Anheuser-Busch Companies, LLC, pursuant to Section 266 of the Delaware General Corporation Law and Section 18-214 of the Delaware Limited Liability Company Act.

On 30 December 2011, we acquired Premium Beers of Oklahoma in Oklahoma City, United States, a major wholesaler in that territory.

On 11 May 2012, Ambev and E. León Jimenes S.A. ("**ELJ**"), which owned 83.5% of Cervecería Nacional Dominicana S.A. ("**CND**"), entered into a transaction to form a strategic alliance to create the leading beverage company in the Caribbean through the combination of their businesses in the region. Ambev's initial indirect interest in CND was acquired through a cash payment of USD 1.0 billion and the contribution of Ambev Dominicana. Separately, Ambev Brazil acquired an additional stake in CND of 9.3%, which was owned by Heineken N.V., for USD 237 million at the closing date. During the second half of 2012, as part of the same transaction, Ambev acquired an additional 0.99% stake from other minority holders, through a cash payment of USD 36 million. As of 31 December 2012, Ambev owns a total indirect interest of 52.0% in CND.

On 29 June 2012, we announced an agreement with Grupo Modelo agreeing to acquire the remaining stake in Grupo Modelo that we do not already own for USD 9.15 per share in cash in a transaction valued at USD 20.1 billion. Completion of the combination with Grupo Modelo has been conditioned upon, among other things, antitrust approval from U.S. and Mexican authorities. In a related transaction, it was announced on 29 June 2012 that Grupo Modelo would sell its existing 50% stake in Crown Imports, the joint venture that imports and markets Grupo Modelo's brands in the United States, to Constellation for USD 1.85 billion, giving Constellation 100% ownership and control. In February 2013, we announced a revised agreement with Constellation valued at USD 2.9 billion, which has been conditioned upon, among other things, any antitrust clearance from U.S. and Mexican authorities that may be required. For further information, see "Item 8. Financial Information—A. Consolidated Financial Statements and Other Financial Information—Legal and Arbitration Proceedings—Anheuser-Busch InBev SA/NV—Grupo Modelo Transaction" and "Item 8. Financial Information—B. Significant Changes."

On 21 September 2012, we entered into an agreement with Dragon Group to acquire its stake in Keytop group for an aggregate purchase price anticipated to be approximately USD 400 million. The Keytop group owns majority participations in four breweries located in the Jiangxi, Henan and Shandong provinces in China. This acquisition is expected to support our growth strategy in China through the addition of approximately nine million hectoliters in total production capacity, and the closing of the acquisition is subject to customary regulatory approvals.

For further details of our principal capital expenditures and divestitures, see "Item 5. Operating and Financial Review—G. Liquidity and Capital Resources—Investments and Disposals."

## B. BUSINESS OVERVIEW

### 1. STRENGTHS AND STRATEGY

#### Strengths

We believe that the following key strengths will drive the realization of our strategic goals and reinforce our competitive position in the marketplace:

***Global platform with strong market positions in key markets***

We are the world's largest brewing company and believe we hold leading positions in the majority of our key markets. We have strong market positions based on strong brands and the benefits of scale. We believe this positions us well to deploy significant resources in sales and marketing to build and maintain our brands, achieve attractive sourcing terms, generate cost savings through centralization and operate under a lean cost structure. Our global reach provides us with a strong platform to grow our global and multi-country brands, while developing local brands tailored to regional tastes. We benefit from a global distribution network which, depending on the location, is either owned by us or is based on strong partnerships with wholesalers and local distributors.

We believe that in 2012 the approximate industry volumes and our approximate market shares by volume in the world's six largest beer markets by volume are as follows:

| | Total industry volume (million hectoliters)[1] | Our market share (%)[1] |
|---|---|---|
| China | 429.0 | 13.4 |
| United States | 238.6 | 47.6 |
| Brazil | 126.5 | 68.5 |
| Russia | 85.6 | 15.6 |
| Germany | 84.1 | 9.4 |
| United Kingdom | 44.2 | 17.8 |

Note:

(1) Total industry volume figures are based on total beer industry sales or consumption volumes in the relevant market, except for the China volume figures, which are based on total industry production volumes, and both Russia and Brazil volume figures, which are based on retail audits. Sources: China—Seema International Limited; United States—Beer Institute and SymphonyIRI; Brazil—AC Nielsen Audit Total Trade; Russia—AC Nielsen Audit Off Trade; Germany—German Brewers Association (GBA); United Kingdom—British Beer and Pub Association.

We have been the global leader in the brewing industry by volume for the past three years. Measured by EBITDA, as defined, for 2012, we are ranked among the top four consumer products companies worldwide. We have significant positions in the United States and Brazil, two of the most stable and profitable beer markets in the world, and in China, the world's largest beer market by volume. Management believes that it can realize significant upside potential by continuing to roll out Anheuser-Busch InBev's brands using our global distribution platform.

***Geographic diversification***

Our geographically diversified platform balances the growth opportunities of developing markets with the stability and strength of developed markets. With significant operations in both the Southern and Northern Hemispheres, we benefit from a natural hedge against market, economic and seasonal volatility. Developed markets represented approximately 51.0% of our 2012 operating profit and developing markets represented 49.0% of our 2012 operating profit.

***Strong brand portfolio with global, multi-country and local brands***

Our strong brand portfolio addresses a broad range of demand for different types of beer and offers a range of international and local brands in our Zones in three brand categories:

- *Global brands:* Capitalizing on common values and experiences which appeal to consumers across borders, our global brands of Budweiser, Stella Artois and Beck's have the strength to be marketed worldwide;
- *Multi-country brands:* With a strong consumer base in their home market, our multi-country brands of Leffe and Hoegaarden bring international flavor to selected markets, connecting with consumers across continents; and
- *Local brands:* Offering locally popular tastes, local brands such as Bud Light, Michelob, Skol, Brahma, Antarctica, Quilmes, Jupiler, Hasseroder, Klinskoye, Sibirskaya Korona, Chernigivske, Harbin and Sedrin connect particularly well with consumers in their home markets.

Our strategy is to focus our attention on the core to premium brands. As a result, we undertake clear brand choices and seek to invest in those brands that build deep connections with consumers and meet their needs. We seek to replicate our successful brand initiatives and best practices across geographic markets.

***Strong innovation and brand development capabilities***

As a consumer-centric, sales-driven company, we continue to strive to understand the values, lifestyles and preferences of both today's and tomorrow's consumers, building fresh appeal and competitive advantage through innovative products and services tailored to meet those needs. We believe that consumer demand can be best anticipated by a close relationship between our innovation and insight teams in which current and expected market trends trigger and drive research processes. Successful examples of recently developed products include Beck's Sapphire, Bud Light Platinum, Bud Light Lime *Lime-A-Rita* (United States), Skol 360 and Antarctica Sub-Zero (Brazil), Quilmes "Night" (Argentina), Stella Artois Cidre (United Kingdom), Leffe Royale (Belgium), Franziskaner Royal (Germany), Chernigivske Chezz (Ukraine) and Harbin Ice GD (China).

We believe that our excellence programs, including our "World Class Commercial Program," are one of our competitive advantages. As part of our consumer-centric, sales-driven approach, we have established an integrated marketing and sales execution program, the "World Class Commercial Program," which is designed to continuously improve the quality of our sales and marketing capabilities and processes by ensuring they are understood and consistently followed.

***Strict financial discipline***

World-class efficiency has been, and remains, a long-term objective across all lines of business and markets as well as under all economic circumstances. Avoiding unnecessary costs is a core competency within our culture. We distinguish between "non-working" and "working" expenses, the latter having a direct impact on sales volumes or revenues. We currently have a greater focus on reducing non-working expenses, given that they are incurred independently from sales volumes or revenues and without immediate benefit to customers or consumers. By maintaining strict financial discipline and turning non-working expenses into working expenses, our "Cost—Connect—Win" model aims to fund sustainable sales and marketing efforts throughout an economic cycle in order to connect with our customers and win by achieving long-term, profitable growth. We have a number of group-wide cost efficiency programs in place, including:

- *Zero-Based Budgeting or ZBB:* Under ZBB, budget decisions are unrelated to the previous year's levels of expenditure and require justification starting from a zero base each year. Employee compensation is closely tied to delivering on zero-based budgets. ZBB has been successfully introduced into all of our major markets, as well as our global headquarters.
- *Voyager Plant Optimization or VPO:* VPO aims to bring greater efficiency and standardization to our brewing operations and to generate cost savings, while at the same time improving quality, safety and the environment. VPO also entails assessment of our procurement processes to maximize purchasing power and to help us achieve the best results when purchasing a range of goods and services. Behavioral change towards greater cost awareness is at the core of this program, and comprehensive training modules have been established to assist our employees with the implementation of VPO in their daily routines.

In addition, we have set up business service centers across our business zones which focus on transactional and support activities within our group. The centers help standardize working practices and identify and disseminate best practices.

***Experienced management team with a strong track record of delivering synergies through business combinations***

During the last two decades, our management (or the management of our predecessor companies) has executed a number of merger and acquisition transactions of varying sizes, with acquired businesses being successfully integrated into our operations, realizing significant synergies. Notable examples include:

- the creation of Ambev in 2000 through the combination of Brahma and Antarctica. Between 2000 and 2004, operating income after financial income and financial expense increased from 331.7 million reais to 2,163.3 million reais;

- the acquisition of Beck's in 2002, which today is the number one German beer in the world, with distribution in over 80 countries;
- the combination of Ambev and Quilmes in 2003, where Quilmes' operating profit increased substantially from 2003 to 2008;
- Ambev gaining control of Labatt in 2004, where profitability increased by approximately 10% within the first three years;
- the creation of InBev in 2004, through the combination of Ambev and Interbrew, where operating profit margin has increased from 11.9% on a standalone basis in 2003 to 22.7% in 2008; and
- our successful merger and integration of the Anheuser-Busch and InBev businesses starting in 2008.

Our strong track record also extends to successfully integrating portfolios of brands such as Spaten-Löwenbräu in 2003 and leveraging cross-selling potential and distribution networks such as the distribution of Stella Artois through Ambev's channels in Latin America.

If the proposed combination with Grupo Modelo closes as expected, we believe that the combination should yield annual synergies of approximately USD 1 billion. These synergies are expected to be phased in over the first four years following the closing of the transaction and are expected to come from economies of scale through combined purchasing opportunities and the sharing of best practices around the world.

**Strategy**

***Our strategy is based on our dream to be "the Best Beer Company in a Better World"***

The guiding principle for our strategy is a dream to be "the Best Beer Company in a Better World" by uniting strong brand development, sales execution and best-in-class efficiency with the role of a responsible global corporate citizen. The "Best Beer Company" element relates primarily to our aim of maintaining highly profitable operations in all markets with leading brands and market positions where we operate. The term "Better World" articulates our belief that all stakeholders will benefit from good corporate citizenship, finding its expression in our work to promote responsible enjoyment of our products, protecting the environment and giving back to the communities in which we operate. We discourage consumers from excessive or underage drinking through marketing campaigns aimed at moderate and legal consumption, as outlined in our Commercial Communications Code.

***A clear and consistent business model is fundamental to our strategy***

Our business model is focused on organic growth. We aim to create sustainable value for our shareholders through revenue growth ahead of the industry and strong cost management, leading to margin enhancement. The business model is supported by strict financial discipline in the generation and use of cash, including selective external growth opportunities, and is underpinned by our powerful Dream-People-Culture platform.

First, we aim to grow our revenue ahead of the benchmark of industry volume growth plus inflation, on a country by country basis.

- We aim to do this through strong consumer preference for our brands, continued premiumization of our brand portfolio, and sales and marketing investment.
- We seek to win new consumers and secure their long term loyalty.
- In a rapidly changing marketplace, we focus on understanding consumer needs and aim to achieve high levels of connection with our brands by delivering on those needs.

- We intend to further strengthen brand innovation in order to stay ahead of market trends and maintain consumer appeal.
- In partnership with distributors, off-trade retailers and on-trade points of sale, we seek to build connection with our consumers at the point-of-sale by further improving the quality of the consumer's shopping experience and consumption occasions.
- We have established a number of consumer-dedicated activities, such as specific outdoor events, which are designed to provide consumers with a brand experience that exceeds the pure enjoyment of beer.
- We leverage social media platforms to reach out to existing and potential consumers. Social media is becoming increasingly important to the development of our brands.

Second, we strive to continuously improve efficiency by unlocking the potential for variable and fixed cost savings.

- We aim to maintain long-term cost increases at below inflation, benefiting from the application of cost efficiency programs such as ZBB and VPO, internal and external benchmarking, as well as from our scale.
- We aim to leverage the Global Procurement Center, located in Belgium, to generate further cost synergies and leverage supplier relationships to bring new ideas and innovation to our business.
- Our management believes cost savings are not yet fully realized across all geographies, and will continue to share best practices across all functions, as well as benchmark performance externally against other leading companies.
- A combination of revenue growth ahead of the industry and inflation and cost increases below inflation should enable us to deliver on our commitment to long term margin enhancement.

Finally, we will continue to exercise strict financial discipline in the generation and use of cash.

- We have consistently demonstrated our ability to generate significant operating cash flow from growth in our operating activities, tight working capital management and a disciplined approach to capital expenditure.
- Since our combination with Anheuser-Busch in 2008, we focused on deleveraging the company and achieved our optimal capital structure by the end of 2012, in line with our commitment.
- In the absence of appropriate external growth opportunities, surplus cash flow should be returned to shareholders with dividends being a more predictable growing flow, balanced with share buy-back programs, while maintaining an optimal capital structure.

While organic growth is the focus for our management, we will continue to drive external growth as and when appropriate opportunities arise.

- Our management has repeatedly demonstrated its ability to successfully integrate acquisitions and drive revenue growth ahead of our competitors. External growth will remain an opportunity in the future.
- The combination between Anheuser-Busch and InBev has provided us with global scale and a global footprint, and we see significant opportunities to continue to internationalize Anheuser-Busch's key brands.

- The combination with Grupo Modelo is also expected to create a significant growth opportunity worldwide from combining two leading brand portfolios and distribution networks. It would bring together five of the top six and seven of the top ten most valuable beer brands in the world, each with distinct brand imagery and consumer positioning. The combined company would unite Grupo Modelo's number one position in Mexico, the world's fourth-largest profit pool for beer companies, with our leading global position, further increasing our exposure to fast-growing developing markets. There will be meaningful opportunities to grow Corona globally outside the United States given our established platform for distribution worldwide and the resources at its disposal as the leading global brewer.

***General factors facilitate the implementation of our corporate strategy***

We have identified certain key tools which we believe will enable us to implement our corporate strategy, including:

- a disciplined approach to innovation at all levels, aimed at revitalizing the beer category and increasing our share of value and our market share;
- a strong company culture, investing in people and maintaining a strong target-related compensation structure;
- best-in-class financial discipline spread throughout the whole organization; and
- creating a Better World by supporting social responsibility initiatives connected to our business objectives and our consumers.

## 2. PRINCIPAL ACTIVITIES AND PRODUCTS

We produce, market, distribute and sell a strong, balanced portfolio of well over 200 beer brands and have a global footprint with a balanced exposure to mature and emerging markets and production facilities spread across our six geographic regions.

We are a consumer-centric, sales-driven company. Consequently, our production facilities and other assets are predominantly located in the same geographical areas as our customers. We set up local production when we believe that there is substantial potential for local sales that cannot be addressed in a cost efficient manner through exports or third-party distribution into the relevant country. Local production also helps us to reduce, although it does not eliminate, our exposure to currency movements.

The table below sets out the main brands we sell in the markets listed below.

| Market | Global brands | Multi-country brands | Local brands |
|---|---|---|---|
| **North America** | | | |
| Canada | Beck's, Budweiser, Stella Artois | Hoegaarden, Leffe | **Beer:** Alexander Keith's, Bass, Bud Light, Kokanee, Labatt, Lakeport, Lucky, Oland |
| Mexico (Grupo Modelo) | Budweiser | | **Beer:** Corona, Bud Light |
| United States | Beck's, Budweiser, Stella Artois | Hoegaarden, Leffe | **Beer:** Bass, Bud Light, Busch, Goose Island, Michelob, Natural Light, Shock Top |
| **Latin America** | | | |
| Argentina | Budweiser, Stella Artois | Hoegaarden, Leffe | **Beer:** Andes, Brahma, Norte, Patagonia, Quilmes<br>**Soft drinks:** 7UP, Pepsi, H2OH! |
| Bolivia | Stella Artois | — | **Beer:** Ducal, Paceña, Taquiña<br>**Soft drinks:** 7UP, Pepsi |
| Brazil | Budweiser, Stella Artois | Hoegaarden, Leffe | **Beer:** Antarctica, Bohemia, Brahma, Skol<br>**Soft drinks:** Guaraná Antarctica, Pepsi |

| Market | Global brands | Multi-country brands | Local brands |
|---|---|---|---|
| Chile | Budweiser, Stella Artois | — | Beer: Baltica, Becker, Brahma |
| Dominican Republic | Budweiser | — | **Beer:** Brahma, Presidente<br>**Soft drinks:** Pepsi, 7UP, Red Rock |
| Ecuador | Budweiser | — | **Beer:** Brahma |
| Guatemala | Budweiser | — | **Beer:** Brahva |
| Paraguay | Budweiser, Stella Artois | — | **Beer:** Baviera, Brahma, Ouro Fino, Pilsen |
| Peru | Stella Artois | — | **Beer:** Brahma, Zenda<br>**Soft drinks:** Concordia, Pepsi, 7UP, Triple Kola |
| Uruguay | Budweiser, Stella Artois | — | **Beer:** Pilsen, Norteña, Patricia<br>**Soft drinks:** 7UP, Pepsi, H20h |
| **Western Europe** | | | |
| Belgium | Beck's, Budweiser, Stella Artois | Hoegaarden, Leffe | **Beer:** Belle-Vue, Jupiler, Vieux Temps |
| France | Beck's, Budweiser, Stella Artois | Hoegaarden, Leffe | **Beer:** Belle-Vue, Boomerang, Loburg |
| Germany | Beck's | — | **Beer:** Diebels, Franziskaner, Haake-Beck, Hasseröder, Löwenbräu, Spaten, Gilde |
| Luxembourg | Beck's, Stella Artois | Hoegaarden, Leffe | **Beer:** Diekirch, Jupiler, Mousel |
| Netherlands | Beck's, Stella Artois | Hoegaarden, Leffe | **Beer:** Dommelsch, Jupiler, Hertog Jan |
| United Kingdom | Beck's, Budweiser, Stella Artois | Hoegaarden, Leffe | **Beer:** Bass, Boddingtons, Brahma, Whitbread, Mackeson |
| Italy | Beck's, Budweiser, Stella Artois | Hoegaarden, Leffe | **Beer:** Franziskaner, Löwenbräu, Spaten |
| **Central & Eastern Europe** | | | |
| Russia | Bud, Stella Artois | Hoegaarden, Leffe | **Beer:** Bagbier, Brahma, Klinskoye, Löwenbräu, Sibirskaya Korona, T, Tolstiak |
| Ukraine | Beck's, Bud, Stella Artois | Hoegaarden, Leffe | **Beer:** Chernigivske, Rogan, Yantar |
| **Asia Pacific** | | | |
| China | Beck's, Budweiser, Stella Artois | Hoegaarden, Leffe | **Beer:** Double Deer, Harbin, Jinling, Jinlongquan, KK, Sedrin, Shiliang |

The table below sets out our sales broken down by business zone for the periods shown:

| | 2012 | | 2011 | | 2010 | |
|---|---|---|---|---|---|---|
| Market | Revenue[(1)] (USD million) | Revenue (% of total) | Revenue[(1)] (USD million) | Revenue (% of total) | Revenue[(1)] (USD million) | Revenue (% of total) |
| North America | 16,028 | 40.3% | 15,304 | 39.2% | 15,296 | 42.1% |
| Latin America North | 11,455 | 28.8% | 11,524 | 29.5% | 10,018 | 27.6% |
| Latin America South | 3,023 | 7.6% | 2,704 | 6.9% | 2,182 | 6.0% |
| Western Europe | 3,625 | 9.1% | 3,945 | 10.2% | 3,937 | 10.8% |
| Central & Eastern Europe | 1,668 | 4.2% | 1,755 | 4.5% | 1,619 | 4.5% |
| Asia Pacific | 2,690 | 6.8% | 2,317 | 5.9% | 1,767 | 4.9% |
| Global Export & Holding Companies | 1,270 | 3.2% | 1,496 | 3.8% | 1,479 | 4.1% |
| **Total** | **39,758** | **100%** | **39,046** | **100%** | **36,297** | **100%** |

Notes:

(1) Gross revenue (turnover) less excise taxes and discounts. In many jurisdictions, excise taxes make up a large proportion of the cost of beer charged to our customers.

For a discussion of changes in revenue, see "Item 5. Operating and Financial Review—E. Results of Operations—Year Ended 31 December 2012 Compared to the Year Ended 31 December 2011—Revenue" and "Item 5. Operating and Financial Review—E. Results of Operations—Year Ended 31 December 2011 Compared to the Year Ended 31 December 2010—Revenue."

The table below sets out the breakdown between our beer and non-beer volumes and revenue. Based on our actual historical financial information for these periods, our non-beer activities accounted for 11.9% of consolidated volumes in 2012, 11.5% of consolidated volumes in 2011, and 11.5% of consolidated volumes in 2010. In terms of revenue, our non-beer activities generated 9.7% of consolidated revenue in 2012, compared to 11.0% in 2011 and 10.1% in 2010 based on our actual historical financial information for these periods.

| | Beer | | | Non-Beer[3] | | | Consolidated | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Volume[1] (million hectoliters) | 355 | 353 | 353 | 48 | 46 | 46 | 403 | 399 | 399 |
| Revenue[2] (USD million) | 35,914 | 34,747 | 32,616 | 3,844 | 4,299 | 3,681 | 39,758 | 39,046 | 36,297 |

Notes:

(1) Volumes include not only brands that we own or license, but also third-party brands that we brew or otherwise produce as a subcontractor and third-party products that we sell through our distribution network, particularly in Western Europe. Our pro-rata shares of volumes in Grupo Modelo are not included in this table.
(2) Gross revenue (turnover) less excise taxes and discounts. In many jurisdictions, excise taxes make up a large proportion of the cost of beer charged to our customers.
(3) The non-beer category includes soft drinks and certain other beverages, such as Stella Artois Cidre.

**Beer**

We manage a portfolio of well over 200 brands of beer. In terms of distribution, our beer portfolio is divided into global, multi-country and local brands. Our brands are our foundation and the cornerstone of our relationships with consumers. We invest in our brands to create a long-term, sustainable and competitive advantage, by meeting the various needs and expectations of consumers around the world and by developing leading brand positions around the globe.

On the basis of quality and price, beer can be differentiated into the following categories:

- Premium brands;
- Core brands; and
- Value, discount or sub-premium brands.

Our brands are situated across all these categories. For instance, a global brand like Stella Artois generally targets the premium category across the globe, while a local brand like Natural Light targets the value category in the United States. In the United States, Bud Light targets the premium light or mainstream category, which is equivalent to the core category in other markets. We have a particular focus on core to premium categories, but will be present in the value segment if the market structure in a particular country necessitates.

We make clear category choices and, within those categories, clear brand choices. Examples of these choices include the focus on the core Quilmes brand in Argentina, on the core category in Brazil, on the light and premium categories in Canada, on core and premium brands in Russia and on the international premium, domestic premium and core categories in China. The majority of our resources are directed to our "focus brands," those brands that we believe have the greatest growth potential in their relevant consumer categories. In 2012, our focus brands accounted for 69% of our volume.

From the early 2000s through 2007, we observed a trend where the premium category drove growth in the beer industry. Based on this trend, we established a strategy to select focus brands in certain markets (such as our North America, Western Europe and Central & Eastern Europe business zones) within the core and premium categories. Consumer preferences can change over time, especially in the face of challenging economic circumstances, such as those faced in many markets between 2008 and 2012. However, we believe we are well placed to deal with short-term trend changes from a portfolio perspective, particularly in key countries like the United States, while continuing our long-standing strategy of accelerating growth in the core and premium beer categories. Our own United States business saw positive mix change in 2012. We aim to continue our strategy of focusing on selected brands, which seeks to address consumers' desire to trade up from value to core and from core to premium. Another trend is the growing need for consumer choice. Again, with our strong brand portfolio and best practice sharing, we believe we are well-placed to take advantage of this opportunity.

Our portfolio includes three global beers with worldwide distribution:

- Budweiser, which we consider to be the United States' first truly national beer brand, had an 8% share of the U.S. market (based on Beer Marketer's Insights estimates). Budweiser is our number one global flagship brand with global volumes returning to growth in 2010 after many years of decline. This trend continued in 2011 and 2012, due in part to the August 2011 launch of Budweiser in Brazil and the 2012 launch of Bud in Ukraine. Global Budweiser volumes grew 6.3% in 2012, and the brand accounted for 11% of our total company volumes. Budweiser sold outside the United States now represents over 51% of global Budweiser volume, driven by strong growth in China, a sharp volume increase in Bud sales in Russia, and gains in the premium segment in Brazil. Budweiser has confirmed its sponsorship of the 2014, 2018 and 2022 FIFA World Cups™. Budweiser is also a sponsor of the FA Cup in the United Kingdom for the three years starting in 2012.
- Stella Artois, the number one Belgian beer in the world according to Plato Logic Limited. Stella currently is distributed in over 70 countries worldwide and has strong global potential. The brand can rely on a heritage dating back to our foundations in 1366. Stella Artois is a premium lager. Building upon the strength of the brand in the United Kingdom, we launched Stella Artois Cidre in April 2011 and launched Stella Artois Cidre Pear in June 2012.
- Beck's, the number one German export beer in the world according to Plato Logic Limited, which is distributed in over 80 countries. Beck's has been brewed using only four key natural ingredients for over 125 years and according to the traditional German *Reinheitsgebot* (purity law). In 2012, Beck's and its line extensions accounted for 1.9% of our total company volumes.

In addition, we have a multi-country portfolio of brands, which increasingly transcend the distinction between global and local. The key multi-country brands include:

- Leffe, a rich, full-bodied beer that hails from Belgium, available in over 60 countries worldwide, with sales volumes that have more than doubled over the last decade; and
- Hoegaarden, a high-end Belgian wheat (or "white") beer. Based on a brewing tradition which dates back to 1445, Hoegaarden is top fermented, then refermented in the bottle or keg, leading to its distinctive cloudy white appearance.

More locally, we manage numerous well-known "local champions," which form the foundation of our business. The portfolio of local brands includes:

***North America***

- Bud Light, originating from the United States and the official sponsor of the NFL (National Football League), having signed a six-year sponsorship agreement in 2011. In the United States, its share of the premium category is approximately 42%, more than the combined share of the next two largest core brands (excluding Budweiser).
- Bud Light Lime, a high-end brand extension of Bud Light introduced in 2008. Based on Bud Light Lime shipments, it became one of the top 25 U.S. beer brands by volume in its first year. In 2012, it was the number 19 U.S. beer brand according to Beer Marketer's Insights.
- Bud Light Platinum, 6% alcohol by volume, a blue cobalt bottle line extension aimed at the party time/night-life occasion, which became the most successful innovation of 2012 in the beer market.
- Bud Light Lime *Lime-A-Rita*, an 8% alcohol by volume line extension designed to be served over ice, was rolled out in April 2012, and was the second most successful innovation in the beer market, behind Bud Light Platinum, in 2012.
- Michelob ULTRA, which was rolled out nationally in 2002, estimated to be the number 12 brand in the United States according to Beer Marketer's Insights.
- Natural Light, the largest sub-premium (value) brand in the United States, with a 20% share of the sub-premium category in 2012 based on Natural Light shipments compared to Beer Marketer's Insights sub-premium volume estimates. On the same basis, Busch Light and Busch are the number two and number three sub-premium brands, respectively, and all of our sub-premium brands combined have a 54% market share in this category in the United States.
- Import and domestic craft beers, led by Stella Artois, Hoegaarden, Leffe, Beck's, Land Shark and Shock Top. Stella Artois grew 18% in the United States in 2012, while the Shock Top brand family grew by over 62% in 2012.

***Latin America***

- Skol, the leading beer brand in the Brazilian market according to Plato Logic Limited. We have invested in pioneering and innovation of the Skol brand, creating new market trends and involvement in entertainment initiatives, such as music festivals.
- Brahma, the second most consumed beer in Brazil according to Plato Logic Limited. It was one of the Brazilian official sponsors of the 2010 FIFA World Cup™.
- Antarctica, the third most consumed beer in Brazil according to Plato Logic Limited.
- Bohemia, the leading brand in the premium category in Brazil according to Plato Logic Limited.
- Quilmes, the leading beer in Argentina in 2012, according to Nielsen, and a national symbol with its striped light blue and white label linked to the colors of the Argentine national flag and football team.

***Western Europe***

- Jupiler, the market leader in terms of sales volumes in Belgium and the official sponsor of the highest Belgian football division, the Jupiler League. It is also the sponsor of the Belgian national football team.

- Hasseröder, a leading brand in eastern Germany, gained country-wide exposure following national marketing campaigns and by leveraging of global assets such as the 2010 FIFA World Cup™ sponsorship.

***Central & Eastern Europe***

- Sibirskaya Korona, first established as a local Siberian brand with proud Siberian values, has grown into a national premium brand sold throughout Russia and is the benchmark for Russian quality beer and Russian pride.
- Klinskoye, our largest brand in Russia, originated near Moscow and has been the leading brand of Russian consumers for over ten years.
- Chernigivske is the best-selling brand of beer in Ukraine and the proud sponsor of the Ukrainian national football team. The reputation of this great beer experience continues to grow and its recognition is expanding into Russia, where sales have grown in the past three years.

***Asia Pacific***

- Harbin, a well-known national brand with its roots in the northeast of China.
- Sedrin, a strong regional brand from the southeast of China.

The branding and marketing of our global brands, Budweiser, Stella Artois and Beck's, is managed centrally within our group. Multi-country brands are managed with more flexibility at the local level for branding and marketing, while the marketing and branding of our local brands is generally managed at a local level. See "—B. Business Overview—9. Branding and Marketing" for more information on brand positioning, branding and marketing.

In certain markets, we also distribute products of other brewers.

**Non-Beer**

***Soft Drinks***

While our core business is beer, we also have a presence in the soft drink market in Latin America through our subsidiary Ambev and in the United States through Anheuser-Busch. Soft drinks include both carbonated soft and non-carbonated soft drinks.

Our soft drinks business includes both our own production and agreements with PepsiCo related to bottling and distribution. Ambev is one of PepsiCo's largest independent bottlers in the world. Major brands that are distributed under these agreements are Pepsi, 7UP and Gatorade. Ambev has long-term agreements with PepsiCo whereby Ambev has the exclusive right to bottle, sell and distribute certain brands of PepsiCo's portfolio of carbonated and non-carbonated soft drinks in Brazil. The agreements will expire on 31 December 2017 and are automatically extended for additional ten-year terms unless terminated prior to the expiration date by written notice by either party at least two years prior to the expiration of their term or on account of other events, such as a change of control or insolvency of, or failure to comply with material terms or meet material commitments by, our relevant subsidiary. Ambev also has agreements with PepsiCo to bottle, sell, distribute and market some of its brands in the Dominican Republic and in some regions of Peru, including the north and the Lima regions. Through our Latin America South operations, Ambev is also PepsiCo's bottler for Argentina, Bolivia and Uruguay.

Apart from the bottling and distribution agreements with PepsiCo, Ambev also produces, sells and distributes its own soft drinks. Its main carbonated soft drinks brand is Guaraná Antarctica.

In December 2012, Ambev and Monster Energy Company ("**Monster**") announced that they had signed a distribution agreement for the sale and distribution of Monster Energy drinks in Brazil. This partnership is expected to benefit both companies through the increase of their presence in the fast growing energy drink segment in Brazil. Operations began at the end of January 2013 under a long-term agreement renewable every five years.

In the United States, Anheuser-Busch also produces non-alcoholic malt beverage products, including O'Doul's, O'Doul's Amber and related products. On a limited basis, we have also entered into arrangements under which other non-alcoholic products, such as Monster Energy drinks, are distributed and sold in select markets though the Anheuser-Busch distribution network. In Europe, we also produce non-alcoholic products, including Jupiler Force, Hoegaarden 0.0 and related products.

## 3. MAIN MARKETS

We are a global brewer, with sales in over 120 countries across the globe.

The last two decades have been characterized by rapid growth in fast-growing emerging markets, notably in regions in Latin America North, Latin America South, Central & Eastern Europe and Asia-Pacific, where we have significant sales. The table below sets out our total volumes broken down by business zone for the periods shown:

| | 2012 | | 2011 | | 2010 | |
|---|---|---|---|---|---|---|
| Market | Volumes (million hectoliters) | Volumes (% of total) | Volumes (million hectoliters) | Volumes (% of total) | Volumes (million hectoliters) | Volumes (% of total) |
| North America | 125 | 31.1% | 125 | 31.3% | 129 | 32.5% |
| Latin America North | 126 | 31.3% | 120 | 30.1% | 120 | 30.1% |
| Latin America South | 34 | 8.5% | 35 | 8.7% | 34 | 8.5% |
| Western Europe | 30 | 7.3% | 31 | 7.7% | 32 | 8.0% |
| Central & Eastern Europe | 23 | 5.7% | 26 | 6.4% | 27 | 6.7% |
| Asia Pacific | 58 | 14.3% | 56 | 14.0% | 50 | 12.6% |
| Global Export & Holding Companies | 7 | 1.8% | 7 | 1.8% | 7 | 1.6% |
| **Total** | 403 | 100% | 399 | 100% | 399 | 100% |

On an individual country basis, our ten largest markets by volume during the year ended 31 December 2012 were the United States, Brazil, China, Argentina, Russia, Ukraine, Canada, the United Kingdom, Germany and Belgium. Each market has its own dynamics and consumer preferences and values. Given the breadth of our portfolio, we believe we are well placed and can launch, relaunch, market and ultimately sell the beer that best addresses consumer choice in the various categories (premium, core and value) in a given market.

Our marketing approach is supported by three solid pillars: brands, connections and renovation/innovation. We are committed to innovation generated from consumer and shopper insights. Through this approach, we seek to understand the values, lifestyles and preferences of today's and tomorrow's consumers and shoppers, with a view to building fresh appeal and competitive advantage through innovative products and services tailored to meet those needs. We have advanced our ability to deliver these innovative products and tailored services through globally deployed tools. See "—B. Business Overview—10. Intellectual Property; Research and Development" for further information.

## 4. COMPETITION

Historically, brewing was a local industry with only a few players having a substantial international presence. Larger brewing companies often obtained an international footprint through direct exports, licensing agreements and joint venture arrangements. However, the last couple of decades have seen a transformation of the industry, with a prolonged period of consolidation. This trend started within the more established beer markets of Western Europe and North America, and took the form of larger businesses being formed through merger and acquisition activity within national markets. More recently, consolidation has also taken place within emerging markets. Over the last decade, the global consolidation process has accelerated, with brewing groups making significant acquisitions outside of their domestic markets and increasingly looking to purchase other regional

brewing organizations. Recent examples of this trend include SABMiller's acquisition of Bavaria in 2005, the acquisition of Scottish & Newcastle by Carlsberg and Heineken in 2008, Heineken's acquisition of FEMSA Cerveza in April 2010, SABMiller's acquisition of Foster's in 2011, Kirin's acquisition of Schincariol in Brazil and Heineken's acquisition of Asia Pacific Breweries in 2012. As a result of this consolidation process, the absolute and relative size of the world's largest brewers has increased substantially. Therefore, today's leading international brewers have significantly more diversified operations and have established leading positions in a number of international markets.

We have participated in this consolidation trend, and have grown our international footprint through a series of mergers and acquisitions described in "—A. History and Development of the Company—History and Development of the Company," which include:

- the acquisition of Labatt in 1995;
- the acquisition of Beck's in 2002;
- the combination of Ambev and Quilmes Industrial S.A. in 2003;
- the creation of InBev in 2004, through the combination of Interbrew and Ambev;
- the Anheuser-Busch acquisition in November 2008; and
- the announced agreement to acquire the remaining shares of Grupo Modelo in June 2012.

The ten largest brewers in the world in 2011 in terms of volume were as set out in the table below.

| Rank | Name | Volume (million hectoliters) [1] [2] |
|---|---|---|
| 1 | AB InBev | 354.5 |
| 2 | SABMiller | 269.8 |
| 3 | Heineken | 205.1 |
| 4 | Carlsberg | 121.8 |
| 5 | Tsingtao (Group) | 71.5 |
| 6 | Molson Coors Brewing Company | 68.3 |
| 7 | Modelo | 55.1 |
| 8 | Beijing Yanjing | 55.1 |
| 9 | Kirin | 45.1 |
| 10 | Anadolu Group (Efes) | 30.2 |

Notes:

(1) Source: Plato Logic Limited. AB InBev volumes indicated here are Plato Logic Limited's estimates of our beer-only volumes and do not include volumes of associates. Our own estimate is that our adjusted beer volumes as of 31 December 2011 were 349.8 million hectoliters.
(2) Calendar year basis.

In each of our regional markets, we compete against a mixture of national, regional, local and imported beer brands. In many countries in Latin America, we compete mainly with local players and local beer brands. In North America, Brazil and in selected countries in Latin America, Western Europe, Eastern Europe and Asia Pacific, we compete primarily with large leading international or regional brewers and international or regional brands.

## 5. WEATHER AND SEASONALITY

For information on how weather affects consumption of our products and the seasonality of our business, see "Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Weather and Seasonality."

## 6. BREWING PROCESS; RAW MATERIALS AND PACKAGING; PRODUCTION FACILITIES; LOGISTICS

### Brewing Process

The basic brewing process for most beers is straightforward, but significant know-how is involved in quality and cost control. The most important stages are brewing and fermentation, followed by maturation, filtering and packaging. Although malted barley (malt) is the primary ingredient, other grains such as unmalted barley, corn, rice or wheat are sometimes added to produce different beer flavors. The proportion and choice of other raw materials varies according to regional taste preferences and the type of beer.

The first step in the brewing process is making wort by mixing malt with warm water and then gradually heating it to around 75° C in large mash tuns to dissolve the starch and transform it into a mixture, called "mash," of maltose and other sugars. The spent grains are filtered out and the liquid, now called "wort," is boiled. Hops are added at this point to give a special bitter taste and aroma to the beer, and help preserve it. The wort is boiled for one to two hours to sterilize and concentrate it, and extract the flavor from the hops. Cooling follows, using a heat exchanger. The hopped wort is saturated with air or oxygen, essential for the growth of the yeast in the next stage.

Yeast is a micro-organism that turns the sugar in the wort into alcohol and carbon dioxide. This process of fermentation takes five to eleven days, after which the wort finally becomes beer. Different types of beer are made using different strains of yeast and wort compositions. In some yeast varieties, the cells rise to the top at the end of fermentation. Ales and wheat beers are brewed in this way. Lagers are made using yeast cells that settle to the bottom. Some special Belgian beers, called lambic or gueuze, use yet another method where fermentation relies on spontaneous action by airborne yeasts.

During the maturation process the liquid clarifies as yeast and other particles settle. Further filtering gives the beer more clarity. Maturation varies by type of beer and can take as long as three weeks. Then the beer is ready for packaging in kegs, cans or bottles.

### Raw Materials and Packaging

The main raw materials used in our beer production are malted barley, corn grits, corn syrup, rice, hops, and water. For non-beer production (mainly carbonated soft drinks) the main ingredients are flavored concentrate, fruit concentrate, sugar, sweetener and water. In addition to these inputs into our products, delivery of our products to consumers requires extensive use of packaging materials such as glass, PET and aluminum bottles, aluminum or steel cans and kegs, labels, plastic crates, metal and plastic closures, folding cartons, cardboard products and plastic films.

We use only our own proprietary yeast, which we grow in our facilities. In some regions, we import hops to obtain adequate quality and appropriate variety for flavor and aroma. We purchase these ingredients through the open market and through contracts with suppliers. We also purchase barley and process it to meet our malt requirements at our malting plants.

Prices and sources of raw materials are determined by, among other factors:

- the level of crop production;
- weather conditions;

- export demand; and
- governmental regulations.

We are reducing the number of our suppliers in each region to develop closer relationships that allow for lower prices and better service, while at the same time ensuring that we are not entirely dependent on a single supplier. We hedge some of our commodities contracts on the financial markets and some of our malt requirements are purchased on the spot market. See "Item 11. Quantitative and Qualitative Disclosures about Market Risk—Market Risk, Hedging and Financial Instruments" and note 28 to our audited financial information as of 31 December 2012 and 2011, and for the three years ended 31 December 2012, for further details on commodities hedging.

We have supply contracts with respect to most packaging materials as well as our own production capacity as outlined below in "—Production Facilities." The choice of packaging materials varies by cost and availability in different regions, as well as consumer preferences and the image of each brand. We also use aluminum cansheet for the production of beverage cans and lids.

Hops, PET resin, soda ash for our own glass plant and, to some extent, cans are mainly sourced globally. Malt, adjuncts (such as unmalted grains or fruit), sugar, steel, cans, labels, metal closures, plastic closures, preforms and folding cartons are sourced regionally. Electricity is sourced nationally, while water is sourced locally, for example, from municipal water systems and private wells.

We use natural gas as our primary fuel, and we believe adequate supplies of fuel and electricity are available for the conduct of our business. The energy commodity markets have experienced, and can be expected to continue to experience, significant price volatility. We manage our energy costs using various methods including supply contracts, hedging techniques, and fuel switching.

**Production Facilities**

Our production facilities are spread across our six geographic regions, giving us a balanced geographical footprint in terms of production and allowing us to efficiently meet consumer demand across the globe. We manage our production capacity across our geographic regions, countries and plants. We typically own our production facilities free of any major encumbrances. We also lease a number of warehouses and other commercial buildings from third parties. See "Item 4. Information on the Company—B. Business Overview—11. Regulations Affecting Our Business" for a description of the environmental and other regulations that affect our production facilities.

**Beverage Production Facilities**

Our beverage production facilities comprised 141 breweries and/or soft drink plants as of 31 December 2012 spread across our six geographic regions. Of these 141 plants, 111 produced only beer, 12 produced only soft drinks and 18 produced both beer and soft drinks. Except in limited cases (for example, our Hoegaarden brewery in Belgium), our breweries are not dedicated to one single brand of beer. This allows us to allocate production capacity efficiently within our group.

The table below sets out, for each of our geographic zones in 2012, the number of our beverage production plants (breweries and/or soft drink plants) as well as the plants' overall capacity and production volumes.

| | | 2012 volumes | | Annual engineering capacity as of 31 December 2012 | |
|---|---|---|---|---|---|
| Business zone | Number of plants | Beer (khl) | Soft drinks (khl) | Beer (khl) | Soft drinks (khl) |
| North America | 19 | 125,139 | | 149,200 | n/a |
| Latin America North | 36 | 91,495 | 34,692 | 139,900 | 58,600 |
| Latin America South | 23 | 21,623 | 12,669 | 33,200 | 25,500 |
| Western Europe[1] | 16 | 29,531 | | 48,754 | n/a |
| Central & Eastern Europe | 11 | 22,747 | | 38,395 | n/a |
| Asia Pacific[2] | 36 | 57,667 | | 103,392 | n/a |
| **Total**[3] | 141 | 348,202 | 47,361 | 512,841 | 84,100 |

Notes:

(1) Includes cider volumes.

(2) Excludes our joint venture in Hyderabad, India.
(3) Excludes Global Export & Holding Companies with 2012 beer volumes of 7 million hectoliters.

**Non-Beverage Production Facilities**

Our beverage production plants are supplemented and supported by a number of plants and other facilities that produce raw materials and packaging materials for our beverages. The table below provides additional detail on these facilities as of 31 December 2012.

| Type of plant / facility | Number of plants / facilities | Countries in which plants / facilities are located |
|---|---|---|
| Malt plants | 12 | Brazil, Argentina, Uruguay, Russia, United States |
| Rice mill | 1 | United States |
| Corn grits | 6 | Brazil, Argentina, Bolivia |
| Hop farms | 2 | Germany, United States |
| Hop pellet plant | 1 | Argentina |
| Guaraná farm | 1 | Brazil |
| Glass bottle plants | 3 | United States, Brazil, Paraguay |
| Bottle cap plants | 1 | Brazil |
| Label plant | 1 | Brazil |
| Can plants | 6 | Bolivia, United States |
| Can lid manufacturing plants | 2 | United States |
| Crown and closure liner material plant | 1 | United States |
| Syrup plant | 1 | Brazil |

In addition to production facilities, we also maintain a geographical footprint in key markets through sales offices and distribution centers. Such offices and centers are opened as needs in the various markets arise.

**Capacity Expansion**

We continually assess whether our production footprint is adequate in view of existing and potential customer demand. Footprint optimization by adding new plants to our portfolio not only allows us to boost production capacity, but the strategic location often also reduces distribution time and costs so that our products reach consumers rapidly and efficiently and at a lower distribution cost. Conversely, footprint optimization can lead to the divesting of plants through sales to third parties, or to plant closures in order to minimize our fixed costs and keep a healthy return on assets. In the third quarter of 2012, we completed the closure of our brewing and malting facilities in Kursk in Russia.

Additional production facilities can be acquired from third parties or through greenfield investments in new projects. For example, following an increased demand for our products in the northeast of Brazil, a decision was made to construct a greenfield plant in Pernambuco state which opened in the fourth quarter of 2011 in time to support year-end peak season activities and the long-term growth of the region.

In addition to building or acquiring additional facilities, we also upgrade and expand capacity in our existing operations. For example, we invested in a new canning line in our facility in Montreal to keep up with the demand for that type of packaging in the province of Quebec.

In 2013, we expect to invest in new capacity projects in China, Brazil and Argentina to meet our future demand expectations in these countries. Our capital expenditures are primarily funded through cash from operating activities and are for production facilities, logistics, improving administrative capabilities, hardware and software in our operational zones.

We also outsource, to a limited extent, the production of items which we are either unable to produce in our own production network (for example, due to a lack of capacity during seasonal peaks) or for which we do not yet want to invest in new production facilities (for example, to launch a new product without incurring the associated full start-up costs). Such outsourcing mainly relates to secondary repackaging materials that we cannot practicably produce on our own, in which case our products are sent to external companies for repackaging (for example, gift packs with different types of beers).

**Logistics**

Our logistics organization is composed of (i) a first tier, which comprises all inbound flows into the plants of raw materials and packaging materials and all the outbound flows from the plants into the second drop point in the chain (for example, distribution centers, warehouses or wholesalers) and (ii) a second tier, which comprises all distribution flows from the second drop point into the customer delivery tier (for example, pubs or retailers).

Transportation is mainly outsourced to third-party contractors, although we do own a small fleet of vehicles in certain countries where it makes economic or strategic sense.

Most of our breweries have a warehouse which is attached to its production facilities. In places where our warehouse capacity is limited, external warehouses are rented. We strive to centralize fixed costs, which has resulted in some plants sharing warehouse and other facilities with each other.

Where it has been implemented, the VPO program has had a direct impact on our logistics organization, for example, in respect of safety, scheduling, warehouse productivity and loss prevention actions.

## 7. DISTRIBUTION OF PRODUCTS

We depend on effective distribution networks to deliver products to our customers. We review our priority markets for distribution and licensing agreements on an annual basis. The focus markets will typically be markets with an interesting premium category and with sound and strong partners (brewers and/or importers). Based on these criteria, focus markets are then chosen.

In addition, the distribution of beer varies from country to country and from region to region. The nature of distribution reflects consumption patterns and market structure, geographical density of customers, local regulation, the structure of the local retail sector, scale considerations, market share, expected added-value and capital returns, and the existence of third-party wholesalers or distributors. In some markets brewers distribute directly to customers (for example, in Belgium), while in other markets wholesalers may, for legal reasons (for example, in certain U.S. states and Canada where there may be legal constraints on the ability of a beer manufacturer to own a wholesaler), or because of historical market practice (for example, in China, Russia and Argentina), play an important role in distributing a significant proportion of beer to customers. In some instances, as is currently the case in Brazil, we have acquired third-party distributors to help us self-distribute our products. The products we brew in the United States are sold to approximately 445 wholesalers for resale to retailers. As of the end of 2012, we owned 15 of these wholesalers and have ownership stakes in another three of them. The remaining wholesalers are independent businesses. In Mexico, Budweiser, Bud Light and O'Doul's are imported and distributed by a wholly-owned subsidiary of Grupo Modelo. Under the distribution agreement with Grupo Modelo, it has exclusive distribution rights to those brands in all of Mexico. In return it agrees not to sell Budweiser, Bud Light and O'Doul's outside of Mexico, and not to sell in Mexico any other beer that is brewed outside of Mexico without our consent. In certain countries, we enter into exclusive importer arrangements and depend on our counterparties to these arrangements to market and distribute our products to points of sale. In certain markets we also distribute the products of other brewers.

We generally distribute our products through (i) direct distribution networks, in which we deliver to points of sale directly, and (ii) indirect distribution networks, in which delivery to points of sale occurs through wholesalers and independent distributors. Indirect distribution networks may be exclusive or non-exclusive and may, in certain business zones, involve use of third-party distribution while we retain the sales function through an agency framework. We seek to fully manage the sales teams in each of our markets. In case of non-exclusive distributorships, we try to encourage best practices through wholesaler excellence programs.

See "Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Distribution Arrangements" for a discussion of the effect of the choice of distribution arrangements on our results of operations.

As a customer-driven organization, we have, regardless of the chosen distribution method, programs for professional relationship building with our customers in all markets. This happens directly, for example, by way of key customer account management, and indirectly by way of wholesaler excellence programs.

We seek to provide media advertising, point-of-sale advertising, and sales promotion programs to promote our brands. Where relevant, we complement national brand strategies with geographic marketing teams focused on delivering relevant programming addressing local interests and opportunities.

## 8. LICENSING

In markets where we have no local affiliate, we may choose to enter into license agreements or, alternatively, international distribution and/or importation agreements, depending on the best strategic fit for each particular market. License agreements entered into by us grant the right to third-party licensees to manufacture, package, sell and market one or several of our brands in a particular assigned territory under strict rules and technical requirements. In the case of international distribution and/or importation agreements, we produce and package the products ourselves while the third party distributes, markets and sells the brands in the local market.

Stella Artois is licensed to third parties in Algeria, Australia, Bulgaria, Croatia, Czech Republic, Hungary, Israel, New Zealand, and Romania, while Beck's is licensed to third parties in Algeria, Bulgaria, Croatia, Hungary, Turkey, Australia, New Zealand, Romania, Serbia, Tunisia and Montenegro.

In Japan, Budweiser is brewed and sold through license and distribution agreements with Kirin Brewery Company, Limited. A licensing agreement allows Guinness Ireland Limited to brew and sell Budweiser and Bud Light in the Republic of Ireland. Budweiser is also brewed under license and sold by brewers in Spain (Sociedad Anonima Damm), India (RKJ Group) and Panama (Heineken). Compañía Cervecerías Unidas, a subsidiary of Compañía Cervecerías Unidas S.A., a leading Chilean brewer, distributes Budweiser under license in Chile and distributes Budweiser in Argentina through a subsidiary. In Italy, Budweiser is brewed and packaged by Heineken under a brewing contract agreement. We also sell various brands, including Budweiser, by exporting from our license partners' breweries to other countries.

On 24 July 2009, we sold our South Korean subsidiary, Oriental Brewery, to an affiliate of Kohlberg Kravis Roberts & Co. L.P. See "Item 5. Operating and Financial Review—G. Liquidity and Capital Resources—Investments and Disposals." Under the terms of the sale agreement, we granted Oriental Brewery exclusive distribution rights over certain brands in South Korea including Budweiser, Bud Ice and Hoegaarden.

On 2 December 2009, we sold our Central European operations to CVC Capital Partners. See "Item 5. Operating and Financial Review—G. Liquidity and Capital Resources—Investments and Disposals." The business we sold to CVC Capital Partners in 2009 has rights to brew and/or distribute, under license from us, Beck's, Hoegaarden, Leffe, Löwenbräu, Spaten and Stella Artois, in Albania, Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Kosovo, Macedonia, Moldova, Montenegro, Romania, Serbia, Slovakia and Slovenia. On 15 June 2012, CVC sold the business to Molson Coors Brewing Company for an aggregate consideration of EUR 2.65 billion. As of 31 December 2012, we retain rights to brew and distribute Staropramen in Ukraine and Russia and to distribute Staropramen in Germany, Canada and Italy.

See “Item 3. Key Information—D. Risk Factors—Risks Relating to our Business—We rely on key third parties, including key suppliers, and the termination or modification of the arrangements with such third parties could negatively affect our business.”

We also manufacture and distribute other third-party brands. Ambev, our listed Brazilian subsidiary, and some of our other subsidiaries have entered into agreements with PepsiCo. Pursuant to the agreements between Ambev and PepsiCo, Ambev is one of PepsiCo’s largest independent bottlers in the world. Major brands that are distributed under this agreement are Pepsi, 7UP and Gatorade. See “—B. Business Overview—2. Principal Activities and Products—Non-Beer—Soft Drinks” for further information in this respect. Ambev also has a license agreement with Anheuser-Busch InBev allowing it to exclusively produce, distribute and market Budweiser and Stella Artois in Brazil and Canada. Ambev also distributes Budweiser in Ecuador, Paraguay, Guatemala, El Salvador and Nicaragua.

## 9. BRANDING AND MARKETING

Our brands are our foundation, the cornerstone of our relationships with consumers and the key to our long-term success. Our brand portfolio, its enduring bonds with consumers and its partnerships with customers are our most important assets. We invest in our brands to create long-term, sustainable, competitive advantage by seeking to meet the beverage needs of consumers around the world and to develop leading brand positions in every market in which we operate.

Our brand portfolio consists of global flagship brands (Budweiser, Stella Artois and Beck’s), multi-country brands (Leffe and Hoegaarden) and many “local champions” (Jupiler, Skol, Quilmes, Bud Light, Sibirskaya Korona and Harbin to name but a few). We believe this global brand portfolio provides us with strong growth and revenue opportunities and, coupled with a powerful range of premium brands, positions us well to meet the needs of consumers in each of the markets in which we compete. For further information about our focus brands, see “—B. Business Overview—2. Principal Activities and Products—Beer.”

We have established a “focus brands” strategy. Focus brands are those in which we invest the majority of our resources (money, people, and attention). They are a small group of brands which we believe have the most growth potential within each relevant consumer group. These focus brands include our three global brands, key multi-country brands and selected “local champions.” In 2012, our focus brands accounted for 69% of our beer volume.

We seek to constantly strengthen and develop our brand portfolio through enhancement of brand quality, marketing and product innovation. Our marketing team therefore works together closely with our research and development team (see “—B. Business Overview—10. Intellectual Property; Research and Development” for further information).

We continually assess consumer needs and values in each geographic market in which we operate with a view to identifying the key characteristics of consumers in each beer category (that is, premium, core and value). This allows us to position our existing brands (or to introduce new brands) in order to address the characteristics of each category.

Our marketing approach is based on a “value-based brands” approach. A value-based brands proposition is a single, clear, compelling values based reason for consumer preference. We have defined 37 different consumer values (such as ambition, authenticity or friendship) to establish a connection between consumers and our products. The value-based brands approach first involves the determination of consumer portraits, secondly brand attributes (that is, tangible characteristics of the brand that support the brand’s positioning) and brand personality (that is, the way the brand would behave as a person) are defined, and finally a positioning statement to help ensure the link between the consumer and the brand is made. Once this link has been established, a particular brand can either be developed (brand innovation) or relaunched (brand renovation or line extension from the existing brand portfolio) to meet the customers’ needs. We apply zero-based planning principles to yearly budget decisions and for ongoing investment reviews and reallocations. We invest in each brand in line with its local or global strategic priority and, taking into account its local circumstances, seek to maximize profitable and sustainable growth.

We own the rights to our principal brand names and trademarks in perpetuity for the main countries where these brands are currently commercialized.

## 10. INTELLECTUAL PROPERTY; RESEARCH AND DEVELOPMENT

Innovation is one of the key factors enabling us to achieve our strategy. We seek to combine technological know-how with market understanding to develop a healthy innovation pipeline in terms of production process, product and packaging features as well as branding strategy. In addition, as beer markets mature, innovation plays an increasingly important role by providing differentiated products with increased value to consumers.

### Intellectual Property

Our intellectual property portfolio mainly consists of trademarks, patents, registered designs, copyright, know-how and domain names. This intellectual property portfolio is managed by our internal legal department, in collaboration with a selected network of external intellectual property advisors. We place importance on achieving close cooperation between our intellectual property team and our marketing and research and development teams. An internal stage gate process promotes the protection of our intellectual property rights, the swift progress of our innovation projects and the development of products that can be launched and marketed without infringing any third-party's intellectual property rights. A project can only move on to the next step of its development after the necessary verifications (for example, availability of trademark, existence of prior technology/earlier patents and freedom to market) have been carried out. This internal process is designed to ensure that financial and other resources are not lost due to oversights in relation to intellectual property protection during the development process.

Our patent portfolio is carefully built to gain a competitive advantage and support our innovation and other intellectual assets. We currently have more than 100 patent families for which patents are pending or registered; that means we have or are seeking to obtain patent protection for more than 100 different technological inventions. The extent of the protection differs between technologies, as some patents are protected in many jurisdictions, while others are only protected in one or a few jurisdictions. Our patents may relate, for example, to brewing processes, improvements in production of fermented malt-based beverages, treatments for improved beer flavor stability, non-alcoholic beer development, filtration processes, beverage dispensing systems and devices or beer packaging.

We license in limited technology from third parties. We also license out certain of our intellectual property to third parties, for which we receive royalties.

### Research and Development

Given our focus on innovation, we place a high value on research and development ("**R&D**"). In 2012, we spent USD 182 million (USD 175 million in 2011 and USD 184 million in 2010) in the area of market research and on innovation in the areas of process optimization and product development at our Belgian R&D center and across our zones.

R&D in process optimization is primarily aimed at capacity increase (plant debottlenecking and addressing volume issues, while minimizing capital expenditure), quality improvement and cost efficiency. Newly developed processes, materials and/or equipment are documented in best practices and shared across business zones. Current projects range from malting to bottling of finished products.

R&D in product innovation covers liquid, packaging and draft innovation. Product innovation consists of breakthrough innovation, incremental innovation and renovation (that is, implementation of existing technology). The main goal for the innovation process is to provide consumers with better products and experiences. This includes launching new liquids, new packaging and new draft products that deliver better performance both for the consumer and in terms of financial results, by increasing our competitiveness in the relevant markets. With consumers comparing products and experiences offered across very different beverage categories and with choice increasing, our R&D efforts also require an understanding of the strengths and weaknesses of other beverage categories, spotting opportunities for beer and developing consumer solutions (products) that better address consumer needs and deliver better experiences. This requires first understanding consumer emotions and expectations in order to guide our innovation efforts. Sensory experience, premiumization, convenience, sustainability and design are all central to our R&D efforts.

Knowledge management and learning make up an integral part of R&D. We seek to continuously increase our knowledge through collaborations with universities and other industries.

Our R&D team is briefed annually on our business zones' priorities and approves concepts which are subsequently prioritized for development. Launch time, depending on complexity and prioritization, usually falls within the next calendar year.

In November 2006, we opened our Global Innovation and Technology Centre in Leuven, Belgium. This state of the art building accommodates the Packaging, Product, Process Development teams and facilities such as Labs, Experimental Brewery and the European Central Lab, which also includes Sensory Analysis.

In addition to our Global Innovation and Technology Centre, we also have Product, Packaging and Process development teams located in each of our six geographic regions focusing on the short-term needs of such regions.

## 11. REGULATIONS AFFECTING OUR BUSINESS

Our worldwide operations are subject to extensive regulatory requirements regarding, among other things, production, distribution, importation, marketing, promotion, labeling, advertising, labor, pensions and public health, consumer protection and environmental issues. In the United States, federal and state laws regulate most aspects of the brewing, sale, marketing, labeling and wholesaling of our products. At the federal level, the Alcohol & Tobacco Tax & Trade Bureau of the U.S. Treasury Department oversees the industry, and each state in which we sell or produce products, and some local authorities in jurisdictions in which we sell products, also have regulations that affect the business conducted by us and other brewers and wholesalers. It is our policy to abide by the laws and regulations around the world that apply to us or to our business. We rely on legal and operational compliance programs, as well as local in-house and external counsel, to guide businesses in complying with applicable laws and regulations of the countries in which we operate.

See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—Certain of our operations depend on independent distributors or wholesalers to sell our products," "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—Negative publicity, perceived health risks and associated government regulation may harm our business," "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—We could incur significant costs as a result of compliance with, and/or violations of or liabilities under, various regulations that govern our operations," "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—Our operations are subject to environmental regulations, which could expose us to significant compliance costs and litigation relating to environmental issues," "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—We operate a joint venture in Cuba, in which the Government of Cuba is our joint venture partner. Cuba has been identified by the U.S. Department of State as a state sponsor of terrorism and is targeted by broad and comprehensive economic and trade sanctions of the United States. Our operations in Cuba may adversely affect our reputation and the liquidity and value of our securities," and "Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Governmental Regulations."

Production, advertising, marketing and sales of alcoholic beverages are subject to various restrictions around the world. These range from a complete prohibition of alcohol in certain countries and cultures through the prohibition of the import of alcohol, to restrictions on the advertising style, media and messages used. In a number of countries, television is a prohibited medium for advertising alcohol products, and in other countries, television advertising, while permitted, is carefully regulated. Media restrictions may constrain our brand building potential. Labeling of our products is also regulated in certain markets, varying from health warning labels to importer identification, alcohol strength and other consumer information. Specific warning statements related to the risks of drinking alcohol products, including beer, have also become prevalent in recent years. Introduction of smoking bans in pubs and restaurants may have negative effects on on-trade consumption (that is, beer purchased for consumption in a pub or restaurant or similar retail establishment), as opposed to off-trade consumption (that is, beer purchased at a retail outlet for consumption at home or another location).

The distribution of our beer products may also be regulated. In certain markets, alcohol may only be sold through licensed outlets, varying from government or state operated monopoly outlets (for example, in the off-trade channel of certain Canadian provinces) to the common system of licensed on-trade outlets (for example, licensed bars and restaurants) which prevails in many countries (for example, in much of the European Union). In the United States, states operate under a three-tier system of regulation for beer products from brewer to wholesaler to retailer, meaning that we must work with licensed third-party distributors to distribute our products to the points of connection.

In the United States, both federal and state laws generally prohibit us from providing anything of value to retailers, including paying slotting fees or holding ownership interests in retailers. Some states prohibit us from being licensed as a wholesaler for our products. State laws also regulate the interactions among us, our wholesalers and consumers by, for example, limiting merchandise that can be provided to consumers or limiting promotional activities that can be held at retail premises. If we were found to have violated applicable federal or state alcoholic beverage laws, we could be subject to a variety of sanctions, including fines, equitable relief and suspension or permanent revocation of our licenses to brew or sell our products.

Governments in most of the countries in which we operate also establish minimum legal drinking ages, which generally vary from 16 to 21 years, impose minimum prices on beer products or impose other restrictions on sales, which affect demand for our products. Moreover, governments may respond to public pressure to curtail alcohol consumption by raising the legal drinking age, further limiting the number, type or operating hours of retail outlets or expanding retail licensing requirements. We work both independently and together with other brewers and alcoholic beverage companies to limit the negative consequences of inappropriate use of alcohol products and actively promote responsible sales and consumption.

Similarly, we may need to respond to new legislation curtailing soft drink consumption at schools and other government-owned facilities.

We are subject to antitrust and competition laws in the jurisdictions in which we operate and may be subject to regulatory scrutiny in certain of these jurisdictions. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—We are exposed to antitrust and competition laws in certain jurisdictions and the risk of changes in such laws or in the interpretation and enforcement of existing antitrust and competition laws.”

In many jurisdictions, excise and other indirect duties, including legislation regarding minimum alcohol pricing, make up a large proportion of the cost of beer charged to customers. In the United States, for example, the brewing industry is subject to significant taxation. The United States federal government currently levies an excise tax of USD 18 per barrel (equivalent to 1.1734776 hectoliters) of beer sold for consumption in the United States. All states also levy excise taxes on alcoholic beverages. Proposals have been made to increase the federal excise tax as well as the excise taxes in some states. In the past few years, Bolivia, Brazil, Russia, the United Kingdom and Ukraine have all adopted proposals to increase beer excise taxes. Rising excise duties can drive up our pricing to the consumer, which in turn could have a negative impact on our results of operations. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—The beer and beverage industry may be subject to adverse changes in taxation.”

Our products are generally sold in glass or PET bottles or aluminum or steel cans. Legal requirements apply in various jurisdictions in which we operate, requiring that deposits or certain ecotaxes or fees are charged for the sale, marketing and use of certain non-refillable beverage containers. The precise requirements imposed by these measures vary. Other types of beverage container-related deposit, recycling, ecotax and/or extended producer responsibility statutes and regulations also apply in various jurisdictions in which we operate.

We are subject to different environmental legislation and controls in each of the countries in which we operate. Environmental laws in the countries in which we operate are mostly related to (i) the conformity of our operating procedures with environmental standards regarding, among other things, the emission of gas and liquid effluents and (ii) the disposal of one-way (that is, non-returnable) packaging and (iii) noise. We believe that the regulatory climate in most countries in which we operate is becoming increasingly strict with respect to environmental issues and expect this trend to continue in the future. Achieving compliance with applicable environmental standards and legislation may require plant modifications and capital expenditure. Laws and

regulations may also limit noise levels and the disposal of waste, as well as impose waste treatment and disposal requirements. Some of the jurisdictions in which we operate have laws and regulations that require polluters or site owners or occupants to clean up contamination.

Our facilities in the United States are subject to federal, state and local environmental protection laws and regulations. We comply with these laws and regulations or are currently taking action to comply with them. Our expenditures in connection with complying with such laws and regulations are not expected to materially affect our earnings or competitive position.

Certain U.S. states and various countries have adopted laws and regulations that require deposits on beverages or establish refillable bottle systems. Such laws generally increase beer prices above the costs of deposit and may result in sales declines. The United States Congress and other states continue to consider similar legislation, the adoption of which would impose higher operating costs on us while depressing sales volume.

The amount of dividends payable to us by our operating subsidiaries is, in certain countries, subject to exchange control restrictions of the respective jurisdictions where those subsidiaries are organized and operate. See also "Item 5. Operating and Financial Review—G. Liquidity and Capital Resources—Transfers from Subsidiaries", "Item 3. Key Information—D. Risk Factors."

## 12. INSURANCE

We maintain comprehensive insurance policies with respect to casualty, property and certain specialized coverage. Our insurance program is mainly divided into two general categories:

- *Assets:* these insurance policies cover our physical properties and include global property and business interruption; and
- *Liabilities:* these insurance policies cover losses due to damages caused to third parties and include general and product liability, executive risks (risks related to our board and management) and driver's insurance (which is taken out in accordance with local requirements).

We believe we have adequate insurance cover taking into account our market capitalization and our worldwide presence. We further believe that the level of insurance we maintain is appropriate for the risks of our business and is comparable to that maintained by other companies in its industry.

## 13. SOCIAL AND COMMUNITY MATTERS

Our dream is to be the Best Beer Company in a Better World. In all we do, we strive to ensure that we produce the highest quality products, provide the best consumer experience, and maximize shareholder value by building the strongest competitive and financial position. We aim to use this increasing financial capacity and our global reach to deliver on our Better World commitment. Our Better World actions focus on three key areas — responsible drinking, environment and community.

### Responsible Drinking

As a leader in the beer industry, our primary responsibility is to provide the highest-quality products and to encourage consumers to enjoy them responsibly at all times. That means we are adamantly opposed to the harmful use of alcohol, including drunk driving, underage drinking and excessive or abusive drinking.

We promote responsible drinking and discourage alcohol abuse by informing and educating consumers through focused campaigns and marketing activities that support our position on responsible drinking. These programs include:

- Communicating regularly on topics such as the importance of designated drivers, the role parents play in helping prevent underage drinking by talking with their children, and encouraging young people to respect drinking-age laws.

- Promoting our position and beliefs internally through our employee responsible drinking policies.
- Promoting education for bar, restaurant and store staff to help them learn how to properly check a patron's age to prevent underage sales and to discourage binge drinking.
- Supporting the enforcement of blood alcohol content (BAC) laws to help prevent drunk driving around the world.

In 2012, we continued to develop and promote responsible drinking programs in our 23 key markets, often expanding their reach across the countries where we operate. Where possible, we established partnerships with governments, community organizations, educators and law enforcement agencies, focusing on preventing drunk driving, high-risk drinking and underage-drinking to maximize these efforts. In 2011, we issued global responsible drinking goals to be achieved by the end of 2014. In September 2012, we reported our progress:

- We are on pace to reach at least 100 million adults with programs that help parents talk to their children about underage drinking. Thus far, we have reached almost 30 million adults.
- In the first year, we provided ID-checking materials to more than 150,000 bars and other retailers, reaching roughly one-third of our target of at least 500,000.
- In 2011, we trained almost 160,000 bartenders, waiters, grocery store clerks, servers and sellers of alcohol on responsible beverage sales. We aim to train a total of at least one million people who serve or sell alcohol by the end of 2014.
- We have resoundingly spread the word about the importance of using a designated driver or safe ride home. In 2011, we had reached more than 270 million legal-age consumers, which is over 50 percent of our target of reaching at least 500 million consumers.
- We invested almost USD 55 million with this message in 2011 in responsible drinking advertising and programs. We aim to invest at least an additional USD 245 million by the end of 2014.
- We have committed to celebrating Global Be(er) Responsible Day annually to promote the importance of responsible drinking among employees, partners and consumers.

**Environment**

Beer is a product of natural ingredients, and the stewardship of our natural environment—land, water and air—is fundamental to the quality of our brands in the long term. To be a responsible and resource-efficient global brewer, we must continually look for ways to incorporate practices that help us make the most of our raw materials, while also reducing the impact of our packaging and transportation on the environment.

Environmental key performance indicators and targets are fully integrated into our VPO global management system. It is designed to bring greater efficiency to our brewery operations, generate cost savings and improve environmental management, in accordance with our Environmental Policy and Strategy.

In 2010, we announced global companywide targets on key environmental measures covering water and energy use, carbon emission reductions, and waste and byproduct recycling. All targets were met by the end of 2012.

| Key Performance Indicator | 2012 Commitment | 2009 – 2012 Actual |
|---|---|---|
| Water Usage - Hl/hl | 3.5 | 3.5 (18.6% reduction) |
| Energy Usage - Mj/hl | 10% reduction | 12.0% reduction |
| Greenhouse Gas Emissions Kg/hl | 10% reduction | 15.7% (met in 2011) |
| Recycling Rate - % | 99.0 | 99.2 |

Beyond operations management, we are also engaged with the international community and local groups to support key environmental initiatives. We are a signatory to the CEO Water Mandate, a public-private initiative of the United Nations Global Compact, which focuses on developing corporate strategies to address global water issues. We actively work to better understand and manage water risks across our supply chain and publicly report

our risks and opportunities to the Carbon Disclosure Project. We were also active participants in the United Nations Environment Program's annual World Environment Day, through which we engaged with many community stakeholders around the world.

Energy conservation has been a strategic focus for us for many years, especially with the unpredictable cost of energy and evolving climate change regulations. Our continued progress is based on the importance we place on sharing best technical and management practices across our operations. We publicly report our risks and opportunities related to climate change to the Carbon Disclosure Project.

We work with suppliers, wholesalers and procurement companies, as well as packaging experts, to help make decisions that minimize the cost and environmental impact of packaging materials. We use many types of product packaging, from bulk packaging (*i.e.*, beer kegs, crates and pallets), which is almost always returnable and reusable, to cardboard boxes, glass bottles, aluminum cans and PET bottles, which are recyclable. We also continue the light-weighting of packaging to reduce material costs, minimize the use of natural resources, reduce waste and lessen our transportation fuel consumption. We are continually exploring new forms of packaging that meet consumer needs with fewer resources. In 2011, by working with supply chain partners to identify new ways to minimize the environmental impact and cost of our packaging, we reduced material use by more than 62,000 metric tons.

Operating ethically is also part of our environmental mission. We have a Responsible Sourcing Policy that includes standards on labor issues and business conduct. We are committed to operating ethically and with high integrity, maintaining our commitment to quality, and encouraging similar conduct for our business partners.

**Community**

We make significant contributions to the well-being of the communities where we do business, around the world. This occurs through the jobs we provide, the salaries and wages we pay, the taxes we contribute to local and national governments, and the community support we provide in the form of donations and volunteer activities. For example, we have been involved in supporting Hope Schools in poverty-stricken areas in China, constructing temporary houses in Uruguay and Paraguay, supporting education and community development programs in Argentina and Russia, and contributing water to victims in disaster stricken areas in the United States.

**Our People**

It takes great people to build a great company. That's why we focus on attracting and retaining the best talent. Our approach is to enhance our people's skills and potential through education and training, competitive compensation and a culture of ownership that rewards people for taking responsibility and producing results. Our ownership culture unites our people, providing the necessary energy, commitment and alignment needed to pursue our dream—to be the Best Beer Company in a Better World.

Having the right people in the right roles at the right time—aligned through a clear goal-setting and rewards process—improves productivity and enables us to continue to invest in our business and strengthen our social responsibility initiatives.

## C. ORGANIZATIONAL STRUCTURE

Anheuser Busch InBev S.A./N.V. is the parent company of the AB InBev Group. Our most significant subsidiaries (as of 31 December 2012) are:

| Subsidiary Name | Jurisdiction of incorporation or residence | Proportion of ownership interest | Proportion of voting rights held |
|---|---|---|---|
| **Anheuser-Busch Companies, LLC**<br>One Busch Place<br>St. Louis, MO 63118 | Delaware, U.S.A. | 100% | 100% |
| **Companhia de Bebidas das Américas—Ambev**[(1)]<br>Rua Dr. Renato Paes de Barros 1017<br>4° Andar (parte), cj. 44 e 42—Itaim Bibi<br>São Paulo | Brazil | 61.87% | 74.05% |

Note:

(1) The difference between economic interest and voting interest for Ambev results from the fact that Ambev has issued common shares (with voting rights) and preferred shares (without voting rights).

For a more comprehensive list of our most important financing and operating subsidiaries see note 35 of our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012.

### D. PROPERTY, PLANTS AND EQUIPMENT

For a further discussion of property, plants and equipment, see "Item 3. Key Information—D. Risk Factors—Our operations are subject to environmental regulations, which could expose us to significant compliance costs and litigation relating to environmental issues", "Item 4. Information on the Company—B. Business Overview—6. Brewing Process; Raw Materials and Packaging; Production Facilities; Logistics—Capacity Expansion," "Item 5. Operating and Financial Review—G. Liquidity and Capital Resources—Capital Expenditures" and "Item 5. Operating and Financial Review—J. Outlook and Trend Information."

## ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

## ITEM 5. OPERATING AND FINANCIAL REVIEW

*The following is a review of our financial condition and results of operations as of 31 December 2012 and 2011, and for the three years ended 31 December 2012, and of the key factors that have affected or are expected to be likely to affect our ongoing and future operations. You should read the following discussion and analysis in conjunction with our audited consolidated financial statements and the accompanying notes included elsewhere in this Form 20-F.*

*Some of the information contained in this discussion, including information with respect to our plans and strategies for our business and our expected sources of financing, contain forward-looking statements that involve risk and uncertainties. You should read "Forward-Looking Statements" for a discussion of the risks related to those statements. You should also read "Item 3. Key Information—D. Risk Factors" for a discussion of certain factors that may affect our business, financial condition and results of operations.*

*We have prepared our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and in conformity with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"). The financial information and related discussion and analysis contained in this item are presented in U.S. dollars except as otherwise specified. Unless otherwise specified the financial information analysis in this Form 20-F is based on our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012.*

*See "Presentation of Financial and Other Data" for further information on our presentation of financial information.*

## A. KEY FACTORS AFFECTING RESULTS OF OPERATIONS

We consider acquisitions, divestitures and other structural changes, economic conditions and pricing, consumer preferences, our product mix, raw material and transport prices, the effect of our distribution arrangements, excise taxes, the effect of governmental regulations, foreign currency effects and weather and seasonality to be the key factors influencing the results of our operations. The following sections discuss these key factors.

### Acquisitions, Divestitures and Other Structural Changes

We regularly engage in acquisitions, divestitures and investments. We also engage in start-up or termination of activities and may transfer activities between business zones. Such events have had and are expected to continue to have a significant effect on our results of operations and the comparability of period-to-period results. Significant acquisitions, divestitures, investments and transfers of activities between business zones in the years ended 31 December 2012, 2011 and 2010 are described below.

Events in the year ended 31 December 2012 that have scope effects on our results include:

- On 11 May 2012, we announced that Ambev and E. León Jimenes S.A. ("**ELJ**"), which owned 83.5% of CND, entered into a transaction to form a strategic alliance to create the leading beverage company in the Caribbean through the combination of their businesses in the region. Ambev's initial indirect interest in CND was acquired through a cash payment of USD 1.0 billion and the contribution of Ambev Dominicana. Separately, Ambev Brazil acquired an additional stake in CND of 9.3%, which was owned by Heineken N.V., for USD 237 million at the closing date. During the second half of 2012, as part of the same transaction, Ambev acquired an additional 0.99% stake from other minority holders, through a cash payment of USD 36 million. As of 31 December 2012, Ambev owned a total indirect interest of 52.0% in CND.

Events in the year ended 31 December 2011 that have scope effects on our results include:

- On 28 February 2011, we closed a transaction with Dalian Daxue Group Co. Ltd and Kirin (China) Investment Co. Ltd to acquire a 100% equity interest in Liaoning Dalian Daxue Brewery Co. Ltd., which is among the top three breweries in Liaoning province. Daxue brews, markets and distributes major beer brands including "Daxue," "Xiao Bang" and "Da Bang" which are popular beer brands in the south of Liaoning province.
- On 1 May 2011, we acquired Fulton Street Brewery LLC, also known as Goose Island, a Midwest craft brewer in the United States. Goose Island brews ales, such as 312 Urban Wheat Ale, Honkers Ale, India Pale Ale, Matilda, Pere Jacques, Sofie and a wide variety of seasonal draft only and barrel-aged releases, including Bourbon County Stout, the original bourbon barrel-aged beer.
- On 31 May 2011, we closed an agreement with Henan Weixue Beer Group Co. Ltd (China) to acquire its brands (Weixue and JiGongshan), assets and business, including its Xinyang brewery, Zhengzhou brewery and Gushi Brewery.
- On 30 December 2011, we acquired Premium Beers of Oklahoma distributor in Oklahoma City, United States, a major wholesaler in that territory.

Events in the year ended 31 December 2010 that have scope effects on our results include:

- On 20 October 2010, Ambev and Cerveceria Regional S.A. closed a transaction pursuant to which they combined their businesses in Venezuela, with Regional owning an 85% interest and Ambev owning the remaining 15% in the new company, which may be increased to 20% over the coming years.

- The sale of a series of non-core activities in North America.
- The acquisition of a local distributor in the United States.

In addition to the acquisitions and divestitures described above, we may acquire, purchase or dispose of further assets or businesses in our normal course of operations. Accordingly, the financial information presented in this Form 20-F may not reflect the scope of our business as it will be conducted in the future.

**Economic Conditions and Pricing**

General economic conditions in the geographic regions in which we sell our products, such as the level of disposable income, the level of inflation, the rate of economic growth, the rate of unemployment, exchange rates and currency devaluation or revaluation, influence consumer confidence and consumer purchasing power. These factors, in turn, influence the demand for our products in terms of total volumes sold and the price that can be charged. This is particularly true for developing countries in our Latin America North, Latin America South, Central & Eastern Europe and Asia Pacific business zones, which tend to have lower disposable income per capita and may be subject to greater economic volatility than our principal markets in North America and Western Europe. The level of inflation has been particularly significant in our Latin America North, Latin America South and Central & Eastern Europe business zones. For instance, Brazil has periodically experienced extremely high rates of inflation. In 1993, the annual rate of inflation, as measured by the National Consumer Price Index (*Indice Nacional de Preços ao Consumidor*), reached a hyper-inflationary peak of 2,489.1%. As measured by the same index, Brazilian inflation was 5.8% in 2012. Similarly, Russia and Argentina have, in the past, experienced periods of hyper-inflation. Due to the decontrol of prices in 1992, retail prices in Russia increased by 2,520% in that year, as measured by the Russian Federal State Statistics Service. Argentine inflation in 1989 was 4,923.6% according to the *Instituto Nacional de Estadística y Censos*. As measured by these institutes, in 2012, Russian inflation was 6.5% and Argentine inflation was 10.8%. Consequently, a central element of our strategy for achieving sustained profitable volume growth is our ability to anticipate changes in local economic conditions and their impact on consumer demand in order to achieve the optimal combination of pricing and sales volume.

In addition to affecting demand for our products, the general economic conditions described above may cause consumer preferences to shift between on-trade consumption channels, such as restaurants and cafés, bars, sports and leisure venues and hotels, and off-trade consumption channels, such as traditional grocery stores, supermarkets, hypermarkets and discount stores. Products sold in off-trade consumption channels typically generate higher volumes and lower margins per retail outlet than those sold in on-trade consumption channels, although on-trade consumption channels typically require higher levels of investment. The relative profitability of on-trade and off-trade consumption channels varies depending on various factors, including costs of invested capital and the distribution arrangements in the different countries in which we operate. A shift in consumer preferences towards lower margin products may adversely affect our price realization and profit margins.

**Consumer Preferences**

We are a consumer products company, and our results of operations largely depend on our ability to respond effectively to shifting consumer preferences. Consumer preferences may shift due to a variety of factors, including changes in demographics, changes in social trends, such as consumer health concerns, product attributes and ingredients, changes in travel, vacation or leisure activity patterns, weather or negative publicity resulting from regulatory action or litigation.

**Product Mix**

The results of our operations are substantially affected by our ability to build on our strong family of brands by relaunching or reinvigorating existing brands in current markets, launching existing brands in new markets and

introducing brand extensions and packaging alternatives for our existing brands, as well as our ability to both acquire and develop innovative local products to respond to changing consumer preferences. Strong, well-recognized brands that attract and retain consumers, for which consumers are willing to pay a premium, are critical to our efforts to maintain and increase market share and benefit from high margins. See "Item 4. Information on the Company—B. Business Overview—2. Principal Activities and Products—Beer" for further information regarding our brands.

**Raw Material and Transport Prices**

We have significant exposure to fluctuations in the prices of raw materials, packaging materials, energy and transport services, each of which may significantly impact our cost of sales or distribution expenses. Increased costs or distribution expenses will reduce our profit margins if we are unable to recover these additional costs from our customers through higher prices (see "—Economic Conditions and Pricing").

The main raw materials used in our beer production are malted barley, corn grits, corn syrup, rice, hops and water, while those used in our non-beer production are flavored concentrate, fruit concentrate, sugar, sweetener and water. In addition to these inputs into our products, delivery of our products to consumers requires extensive use of packaging materials, such as glass, PET and aluminum bottles, aluminum or steel cans and kegs, labels, plastic crates, metal and plastic closures, folding cartons, cardboard products and plastic films.

The price and supply of the raw and packaging materials that we use in our operations are determined by, among other factors, the level of crop production (both in the countries in which we are active and elsewhere in the world), weather conditions, supplier's capacity utilization, end user demand, governmental regulations and legislation affecting agriculture and trade. In 2012, our commodity prices continued to be volatile. Packaging materials like aluminum, PET resin, steel and corrugated board had price declines, while the price of raw materials like corn and wheat increased due to drought. Accordingly, we expect that commodities will continue to experience volatility. We are also exposed to increases in fuel and other energy prices through our direct and indirect distribution networks and production operations. Increases in the prices of our products could affect demand among consumers, and thus, our sales volumes and revenue.

As further discussed under "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Market Risk, Hedging and Financial Instruments," we use both fixed-price purchasing contracts and commodity derivatives to minimize our exposure to commodity price volatility when practicable. Fixed-price contracts generally have a term of one to two years although a small number of contracts have a term up to five years. See "Item 4. Information on the Company—B. Business Overview—6. Brewing Process; Raw Materials and Packaging; Production Facilities; Logistics—Raw Materials and Packaging" for further details regarding our arrangements for sourcing of raw and packaging materials.

**Distribution Arrangements**

We depend on effective distribution networks to deliver our products to our customers. Generally, we distribute our products through (i) direct distribution networks, in which we deliver to points of sale directly, and (ii) indirect distribution networks, in which delivery to points of sale occurs through wholesalers and independent distributors. Indirect distribution networks may be exclusive or non-exclusive and may, in certain business zones, involve use of third-party distribution while we retain the sales function through an agency framework. We use different distribution networks in the markets in which we operate, as appropriate, based on the structure of the local retail sectors, local geographic considerations, scale considerations, regulatory requirements, market share and the expected added-value and capital returns.

Although specific results may vary depending on the relevant distribution arrangement and market, in general, the use of direct distribution networks or indirect distribution networks will have the following effects on our results of operations:

- *Revenue.* Revenue per hectoliter derived from sales through direct distribution tends to be higher than revenue derived from sales through third parties. In general, under direct distribution, we receive a higher price for our products since we are selling directly to points of sale, capturing the margin that would otherwise be retained by intermediaries;

- *Transportation costs.* In our direct distribution networks, we sell our products to the point of sale and incur additional freight costs in transporting those products between our plant and such points of sale. Such costs are included in our distribution expenses under IFRS. In most of our direct distribution networks, we use third-party transporters and incur costs through payments to these transporters, which are also included in our distribution expenses under IFRS. In indirect distribution networks, our distribution expenses are generally limited to expenses incurred in delivering our products to relevant wholesalers or independent distributors in those circumstances in which we make deliveries; and
- *Sales expenses.* Under fully indirect distribution systems, the salesperson is generally an employee of the distributor, while under our direct distribution networks and indirect agency networks, the salesperson is generally our employee. To the extent that we deliver our products to points of sale through direct or indirect agency distribution networks, we will incur additional sales expenses from the hiring of additional employees (which may offset to a certain extent increased revenue gained as a result of direct distribution).

In addition, in certain countries, we enter into exclusive importer arrangements and depend on our counterparties to these arrangements to market and distribute our products to points of sale. To the extent that we rely on counterparties to distribution agreements to distribute our products in particular countries or regions, the results of our operations in those countries and regions will, in turn, be substantially dependent on our counterparties' own distribution networks operating effectively.

**Excise Taxes**

Taxation on our beer and non-beer products in the countries in which we operate is comprised of different taxes specific to each jurisdiction, such as excise and other indirect taxes. In many jurisdictions, such excise and other indirect taxes make up a large proportion of the cost of beer charged to customers. Increases in excise and other indirect taxes applicable to our products either on an absolute basis or relative to the levels applicable to other beverages tend to adversely affect our revenue or margins, both by reducing overall consumption and by encouraging consumers to switch to lower-taxed categories of beverages. These increases also adversely affect the affordability of our products and our ability to raise prices. For example, see the discussion of taxes in the United States, Brazil, Russia and Ukraine in "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—The beer and beverage industry may be subject to adverse changes in taxation."

**Governmental Regulations**

Governmental restrictions on beer consumption in the markets in which we operate vary from one country to another, and in some instances, within countries. The most relevant restrictions are:

- Legal drinking ages;
- Global and national alcohol policy reviews and the implementation of policies aimed at preventing the harmful effects of alcohol misuse (including, among others, relating to underage drinking, drunk driving and excessive or abusive drinking);
- Restrictions on sales of alcohol generally or beer specifically, including restrictions on distribution networks, restrictions on certain retail venues, requirements that retail stores hold special licenses for the sale of alcohol, restrictions on times or days of sale and minimum alcohol pricing requirements;
- Advertising restrictions, which affect, among other things, the media channels employed, the content of advertising campaigns for our products and the times and places where our products can be advertised, including in some instances, sporting events;

- Restrictions imposed by antitrust or competition laws;
- Deposit laws (including those for bottles, crates and kegs);
- Heightened environmental regulations and standards, including regulations addressing emissions of gas and liquid effluents and the disposal of waste and one-way packaging, compliance with which imposes costs; and
- Litigation associated with any of the above.

Please refer to "Item 4. Information on the Company—B. Business Overview—11. Regulations Affecting Our Business" for a fuller description of the key laws and regulations to which our operations are subject.

**Foreign Currency**

Our financial statements presentation and reporting currency is the U.S. dollar. A number of our operating companies have functional currencies (that is, in most cases, the local currency of the respective operating company) other than our reporting currency. Consequently, foreign currency exchange rates have a significant impact on our consolidated financial statements. In particular:

- Changes in the value of our operating companies' functional currencies against other currencies in which their costs and expenses are priced may affect those operating companies' cost of sales and operating expenses, and thus negatively impact their operating margins in functional currency terms. Foreign currency transactions are accounted for at exchange rates prevailing at the date of the transactions, while monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date. Except for exchange differences on transactions entered into in order to hedge certain foreign currency risk and exchange rate differences on monetary items that form part of the net investment in the foreign operations, gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities in currencies other than an operating company's functional currency are recognized in the income statement. Historically, we have been able to raise prices and implement cost saving initiatives to partly offset cost and expense increases due to exchange rate volatility. We also have hedge policies designed to manage commodity price and foreign currency risks to protect our exposure to currencies other than our operating companies' respective functional currencies. Please refer to "Item 11. Quantitative and Qualitative Disclosures about Market Risk—Market Risk, Hedging and Financial Instruments" for further detail on our approach to hedging commodity price and foreign currency risk.
- Any change in the exchange rates between our operating companies' functional currencies and our reporting currency affects our consolidated income statement and consolidated statement of financial position when the results of those operating companies are translated into the reporting currency for reporting purposes. Assets and liabilities of foreign operations are translated to the reporting currency at foreign exchange rates prevailing at the balance sheet date. Income statements of foreign operations are translated to the reporting currency at exchange rates for the year approximating the foreign exchange rates prevailing at the dates of transactions. The components of shareholders' equity are translated at historical rates. Exchange differences arising from the translation of shareholders' equity into the reporting currency at year-end are taken to other comprehensive income (that is, in a translation reserve). Decreases in the value of our operating companies' functional currencies against the reporting currency tend to reduce their contribution to, among other things, our consolidated revenue and profit.

For further details regarding the currencies in which our revenue is realized and the effect of foreign currency fluctuations on our results of operations see "—F. Impact of Changes in Foreign Exchange Rates" below.

**Weather and Seasonality**

Weather conditions directly affect consumption of our products. High temperatures and prolonged periods of warm weather favor increased consumption of our products, while unseasonably cool or wet weather, especially during the spring and summer months, adversely affects our sales volumes and, consequently, our revenue. Accordingly, product sales in all of our business zones are generally higher during the warmer months of the year (which also tend to be periods of increased tourist activity) as well as during major holiday periods.

Consequently, for most countries in the Latin America North and Latin America South business zones (particularly Argentina and most of Brazil), volumes are usually stronger in the first and fourth quarters due to year-end festivities and the summer season in the Southern Hemisphere, while for countries in North America, Western Europe, Central & Eastern Europe and Asia Pacific business zones, volumes tend to be stronger during the spring and summer seasons in the second and third quarters of each year.

Based on 2012 information, for example, we realized 54% of our total 2012 volumes in Western Europe in the second and third quarters, compared to 46% in the first and fourth quarters of the year, whereas in Latin America South, we realized 41% of our sales volume in second and third quarters, compared to 59% in the first and fourth quarters.

Although such sales volume figures are the result of a range of factors in addition to weather and seasonality, they are nevertheless broadly illustrative of the historical trend described above.

**B. SIGNIFICANT ACCOUNTING POLICIES**

The U.S. Securities and Exchange Commission (the "**SEC**") has defined a critical accounting policy as a policy for which there is a choice among alternatives available, and for which choosing a legitimate alternative would yield materially different results. We believe that the following are our critical accounting policies. We consider an accounting policy to be critical if it is important to our financial condition and results of operations and requires significant or complex judgments and estimates on the part of our management. For a summary of all of our significant accounting policies, see note 3 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012 included in this Form 20-F.

Although each of our significant accounting policies reflects judgments, assessments or estimates, we believe that the following accounting policies reflect the most critical judgments, estimates and assumptions that are important to our business operations and the understanding of its results: revenue recognition, accounting for business combinations and impairment of goodwill and intangible assets; pension and other post-retirement benefits; share-based compensation; contingencies; deferred and current income taxes; and accounting for derivatives. Although we believe that our judgments, assumptions and estimates are appropriate, actual results may differ from these estimates under different assumptions or conditions.

**Revenue Recognition**

Our products are sold for cash or on credit terms. In relation to the sale of beverages and packaging, we recognize revenue when the significant risks and rewards of ownership have been transferred to the buyer, and no significant uncertainties remain regarding recovery of the consideration due, associated costs or the possible return of goods, and there is no continuing management involvement with the goods. Our sales terms do not allow for a right of return.

Our customers can earn certain incentives, which are treated as deductions from revenue. These incentives primarily include volume-based incentive programs, free beer and cash discounts. In preparing the financial statements, management must make estimates related to the contractual terms, customer performance and sales volume to determine the total amounts recorded as deductions from revenue. Management also considers past results in making such estimates. The actual amounts ultimately paid may be different from our estimates. Such differences are recorded once they have been determined and have historically not been significant.

In many jurisdictions, excise taxes make up a large proportion of the cost of beer charged to our customers. The aggregate deductions from revenue recorded by us in relation to these taxes was approximately USD 10.1 billion, USD 10.1 billion and USD 9.2 billion for the years ended 31 December 2012, 2011, and 2010, respectively.

**Accounting for Business Combinations and Impairment of Goodwill and Intangible Assets**

We have made acquisitions that included a significant amount of goodwill and other intangible assets, including the acquisition of Anheuser-Busch. Our acquisition of Anheuser-Busch was accounted for using the purchase method of accounting under IFRS and, in 2009, we completed the purchase price allocation in compliance with IFRS 3.

As of 31 December 2012, our total goodwill amounted to USD 51.8 billion and our intangible assets with indefinite life amounted to USD 23.0 billion.

We exercise significant judgment in the process of identifying tangible and intangible assets and liabilities, valuing such assets and liabilities and in determining their remaining useful lives. We generally engage third-party valuation firms to assist in valuing the acquired assets and liabilities. The valuation of these assets and liabilities is based on the assumptions and criteria which include, in some cases, estimates of future cash flows discounted at the appropriate rates. The use of different assumptions used for valuation purposes including estimates of future cash flows or discount rates may have resulted in different estimates of value of assets acquired and liabilities assumed. Although we believe that the assumptions applied in the determination are reasonable based on information available at the date of acquisition, actual results may differ from the forecasted amounts and the difference could be material.

We test our goodwill and other long-lived assets for impairment annually or whenever events and circumstances indicate that the recoverable amount, determined as the higher of the asset's fair value less cost to sell and value in use, of those assets is less than their carrying amount. The testing methodology consists of applying a discounted free cash flow approach based on acquisition valuation models for our major business units and the business units showing a high invested capital to EBITDA multiple, and valuation multiples for our other business units. Our cash flow estimates are based on historical results adjusted to reflect our best estimate of future market and operating conditions. Our estimates of fair values used to determine the resulting impairment loss, if any, represent our best estimate based on forecasted cash flows, industry trends and reference to market rates and transactions. Impairments can also occur when we decide to dispose of assets.

The key judgments, estimates and assumptions used in the discounted free cash flow calculations are as follows:

- The first year of the model is based on management's best estimate of the free cash flow outlook for the current year;
- In the second to fourth years of the model, free cash flows are based on our strategic plan as approved by key management. Our strategic plan is prepared per country and is based on external sources in respect of macroeconomic assumptions, industry, inflation and foreign exchange rates, past experience and identified initiatives in terms of market share, revenue, variable and fixed cost, capital expenditure and working capital assumptions;
- For the subsequent six years of the model, data from the strategic plan is extrapolated generally using simplified assumptions such as constant volumes and variable cost per hectoliter and fixed cost linked to inflation, as obtained from external sources;
- Cash flows after the first ten-year period are extrapolated generally using expected annual long-term consumer price indices, based on external sources, in order to calculate the terminal value, considering sensitivities on this metric. For the two main cash generating units, the terminal growth rate applied ranged between 0.0% and 2.0% for the United States and 0.0% and 3.2% for Brazil;

- Projections are made in the functional currency of the business unit and discounted at the unit's weighted average cost of capital ("**WACC**"), considering sensitivities on this metric. The WACC ranged primarily between 5% and 14% in U.S. dollar nominal terms for goodwill impairment testing conducted for 2012. For the two main cash generating units, the WACC applied in U.S. dollar nominal terms ranged between 5% and 8% for the United States and 6% and 10% for Brazil; and
- Cost to sell is assumed to reach 2% of the entity value based on historical precedents.

The above calculations are corroborated by valuation multiples, quoted share prices for publicly-traded subsidiaries or other available fair value indicators.

Impairment testing of intangible assets with an indefinite useful life is based on the same methodology and assumptions as described above.

For additional information on goodwill, intangible assets, tangible assets and impairments, see notes 13, 14 and 15 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012.

**Pension and Other Post-Retirement Benefits**

We sponsor various post-employment benefit plans worldwide. These include pension plans, both defined contribution plans, and defined benefit plans, and other post-employment benefits. Usually, pension plans are funded by payments made both by us and our employees, taking into account the recommendations of independent actuaries. We maintain funded and unfunded plans.

***Defined contribution plans***

Contributions to these plans are recognized as expenses in the period in which they are incurred.

***Defined benefit plans***

For defined benefit plans, liabilities and expenses are assessed separately for each plan using the projected unit credit method. The projected unit credit method takes into account each period of service as giving rise to an additional unit of benefit to measure each unit separately. Under this method, the cost of providing pensions is charged to the income statement during the period of service of the employee. The amounts charged to the income statement consist of current service cost, interest cost, the expected return of any plan assets, past service costs and the effect of any settlements and curtailments.

The net defined benefit plan liability recognized in the statement of financial position is measured as the current value of the estimated future cash outflows using a discount rate equivalent to high quality corporate bond yields with maturity terms similar to those of the obligation, less any past service cost not yet recognized and the fair value of any plan assets. Past service costs result from the introduction of a new plan or changes to an existing plan. They are recognized in the income statement over the period the benefit vests. Where the calculated amount of a defined benefit plan liability is negative (an asset), we recognize such asset to the extent of any unrecognized past service costs plus any economic benefits available to us either from refunds or reductions in future contributions.

Assumptions used to value defined benefit liabilities are based on actual historical experience, plan demographics, external data regarding compensation and economic trends. While we believe that our assumptions are appropriate, significant differences in our actual experience or significant changes in our assumptions may materially affect our pension obligation and our future expense. Actuarial gains and losses consist of the effects of differences between the previous actuarial assumptions and what has actually occurred and the effects of changes in actuarial assumptions. Actuarial gains and losses are fully recognized in other comprehensive income. For further information on how changes in these assumptions could change the amounts recognized see the sensitivity analysis within note 24 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012.

A significant portion of our plan assets is invested in equity and debt securities. The equity and debt markets have experienced volatility in the recent past, which has affected the value of our pension plan assets. This volatility may make it difficult to estimate the long-term rate of return on plan assets. Actual asset returns that differ from our assumptions are fully recognized in other comprehensive income.

***Other post-employment obligations***

We and our subsidiaries provide health care benefits and other benefits to certain retirees. The expected costs of these benefits are recognized over the period of employment, using an accounting methodology similar to that used for defined benefit plans.

**Share-Based Compensation**

We have various types of equity settled share-based compensation schemes for employees. Employee services received, and the corresponding increase in equity, are measured by reference to the fair value of the equity instruments as of the date of grant. Fair value of stock options is estimated by using the binomial Hull model on the date of grant based on certain assumptions. Those assumptions are described in note 25 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012 included in this Form 20-F and include, among others, the dividend yield, expected volatility and expected life of the stock options. The binomial Hull model assumes that all employees would immediately exercise their options if our share price were 2.5 times above the option exercise price. As a consequence, no single expected option life applies, whereas the assumption of the expected volatility has been set by reference to the implied volatility of our shares in the open market and in light of historical patterns of volatility. In the determination of the expected volatility, we excluded the volatility measured during the period 15 July 2008 to 30 April 2009 given the extreme market conditions experienced during that period.

**Contingencies**

The preparation of our financial statements requires management to make estimates and assumptions regarding contingencies which affect the valuation of assets and liabilities at the date of the financial statements and the revenue and expenses during the reported period.

We disclose material contingent liabilities unless the possibility of any loss arising is considered remote, and material contingent assets where the inflow of economic benefits is probable. We discuss our material contingencies in note 31 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012.

Under IFRS, we record a provision for a loss contingency when it is probable that a future event will confirm that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur and typically those events will occur over a number of years in the future. The accruals are adjusted as further information becomes available.

As discussed in “Item 8. Financial Information—A. Consolidated Financial Statements and Other Financial Information—Legal and Arbitration Proceedings,” and in note 31 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012, legal proceedings covering a wide range of matters are pending or threatened in various jurisdictions against us. We record provisions for pending litigation when we determine that an unfavorable outcome is probable and the amount of loss can be reasonably estimated. Due to the inherent uncertain nature of litigation, the ultimate outcome or actual cost of settlement may materially vary from estimates.

**Deferred and Current Income Taxes**

We recognize deferred tax effects of tax loss carry-forwards and temporary differences between the financial statement carrying amounts and the tax basis of our assets and liabilities. We estimate our income taxes

based on regulations in the various jurisdictions where we conduct business. This requires us to estimate our actual current tax exposure and to assess temporary differences that result from different treatment of certain items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which we record on our consolidated balance sheet. We regularly review the deferred tax assets for recoverability and will only recognize these if we believe that it is probable that there will be sufficient taxable profit against any temporary differences that can be utilized, based on historical taxable income, projected future taxable income, and the expected timing of the reversals of existing temporary differences.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date. We reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available. If the final outcome of these matters differs from the amounts initially recorded, differences may positively or negatively impact the income tax and deferred tax provisions in the period in which such determination is made.

We are subject to income tax in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income tax. There are some transactions and calculations for which the ultimate tax determination is uncertain. Some of our subsidiaries are involved in tax audits and local enquiries usually in relation to prior years. Investigations and negotiations with local tax authorities are ongoing in various jurisdictions at the balance sheet date and, by their nature, these can take considerable time to conclude. In assessing the amount of any income tax provisions to be recognized in the financial statements, estimation is made of the expected successful settlement of these matters. Estimates of interest and penalties on tax liabilities are also recorded. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period such determination is made.

**Accounting for Derivatives**

Our risk management strategy includes the use of derivatives. The main derivative instruments we use are foreign currency rate agreements, exchange traded foreign currency futures, interest rate swaps and options, cross currency interest rate swaps and forwards, exchange traded interest rate futures, commodity swaps, exchange traded commodity futures and equity swaps. Our policy prohibits the use of derivatives in the context of speculative trading.

Derivative financial instruments are recognized initially at fair value. Fair value is the amount for which the asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Subsequent to initial recognition, derivative financial instruments are remeasured to fair value at balance sheet date. For derivative financial instruments that qualify for hedge accounting, we apply the following policy: for fair value hedges, changes in fair value are recorded in the income statement and for cash flow and net investment hedges, changes in fair value are recognized in the other comprehensive income and/or in the income statement for the effective and/or ineffective portion of the hedge relationship, respectively.

The estimated fair value amounts have been determined by us using available market information and appropriate valuation methodologies. However, considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value. The fair values of financial instruments that are not traded in an active market (for example, unlisted equities, currency options, embedded derivatives and over-the-counter derivatives) are determined using valuation techniques. We use judgment to select an appropriate valuation methodology and underlying assumptions based principally on existing market conditions. Changes in these assumptions may cause us to recognize impairments or losses in future periods.

Although our intention is to maintain these instruments through maturity, they may be realized at our discretion. Should these instruments be settled only on their respective maturity dates, any effect between the market value and estimated yield curve of the instruments would be eliminated.

## C. BUSINESS ZONES

Both from an accounting and managerial perspective, we are organized along seven zones: North America, Latin America North (which includes Brazil, the Dominican Republic, Guatemala, Ecuador and Peru), Latin America South (which includes Bolivia, Paraguay, Uruguay, Argentina and Chile), Western Europe (which also includes Cuba), Central & Eastern Europe, Asia Pacific and Global Export & Holding Companies. In 2013, Peru and Ecuador became part of the Latin America South business zone.

The financial performance of each business zone, including the business zone's sales volume and revenue, is measured based on our product sales within the countries that comprise that business zone rather than based on products manufactured within that business zone but sold elsewhere. The Global Export & Holding Companies business zone includes our headquarters and the countries in which our products are sold only on an export basis and in which we do not otherwise have any operations or production activities, as well as certain intra-group transactions.

In 2012, North America accounted for 31.1% of our consolidated volumes, Latin America North for 31.3%, Asia Pacific for 14.3%, Latin America South for 8.5%, Western Europe for 7.3%, Central & Eastern Europe for 5.7% and Global Export & Holding Companies for 1.8%. A substantial portion of our operations is carried out through our two largest subsidiaries, Anheuser-Busch (wholly owned) and Ambev (61.87% owned as of 31 December 2012) and their respective subsidiaries.

Throughout the world, we are primarily active in the beer business. However, we also have non-beer activities (primarily consisting of soft drinks), within certain countries in our Latin America business zones, in particular, Brazil, the Dominican Republic, Peru, Bolivia, Uruguay and Argentina. Both the beer and non-beer volumes comprise sales of brands that we own or license, third-party brands that we brew or otherwise produce as a subcontractor and third-party products that we sell through our distribution network.

## D. EQUITY INVESTMENTS

As of 31 December 2012, we held a 35.29% direct interest in Grupo Modelo, Mexico's largest brewer and producer of the Corona brand, and a 23.25% direct interest in Grupo Modelo's subsidiary Diblo, S.A. de C.V. (the "**Modelo entities**"). Our direct investments in Grupo Modelo and Diblo, S.A. de C.V. give us an approximate (direct and indirect) 50.34% equity interest in the Modelo entities. We have the right to appoint nine of 19 positions on Grupo Modelo's board of directors (and the holders of Grupo Modelo's Series A Shares have the right to appoint the other ten positions) and also have membership on the Executive Committee. However, we do not have voting or other effective control of either Diblo or Grupo Modelo and consequently account for our investments using the equity method. On 28 June 2012, a trust holding Series A Shares in Grupo Modelo that represented a controlling interest in the Modelo entities was dissolved and the shares previously held by the trust were distributed to the trust beneficiaries. In connection with such dissolution, we entered into covenant agreements with substantially all of the trust beneficiaries setting forth certain rights and obligations of the parties with respect to their shares in the Modelo entities. On 28 June 2012 we entered into a transaction agreement with Grupo Modelo to acquire the remaining stake in Grupo Modelo that we do not already own. For further details of the combination with Grupo Modelo, see "Item 10. Additional Information—C. Material Contracts—Grupo Modelo Transaction Agreement."

See note 16 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012 for further details on our equity investments.

## E. RESULTS OF OPERATIONS

### Year Ended 31 December 2012 Compared to the Year Ended 31 December 2011

#### *Volumes*

Our reported volumes include both beer and non-beer (primarily carbonated soft drinks) volumes. In addition, volumes include not only brands that we own or license, but also third-party brands that we brew or otherwise produce as a subcontractor and third-party products that we sell through our distribution network, particularly in Western Europe. Volumes sold by the Global Export & Holding Companies businesses are shown separately. Our pro rata share of volumes in Grupo Modelo is not included in the reported volumes.

The table below summarizes the volume evolution by zone.

| | Year ended 31 December 2012 | Year ended 31 December 2011 | Change (%)[1] |
|---|---|---|---|
| | (thousand hectoliters) | | |
| North America | 125,139 | 124,899 | 0.2 |
| Latin America North | 126,187 | 120,340 | 4.9 |
| Latin America South | 34,292 | 34,565 | (0.8) |
| Western Europe | 29,531 | 30,887 | (4.4) |
| Central & Eastern Europe | 22,785 | 25,690 | (11.3) |
| Asia Pacific | 57,667 | 55,980 | 3.0 |
| Global Export & Holding Companies | 7,030 | 7,004 | 0.4 |
| **Total** | **402,631** | **399,365** | **0.8** |

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

Our consolidated volumes were 402.6 million hectoliters for the year ended 31 December 2012. This represented an increase of 3.3 million hectoliters, or 0.8%, as compared to our consolidated volumes for the year ended 31 December 2011. The results for the year ended 31 December 2012 reflect the performance of our business after the completion of certain acquisitions and disposals we undertook in 2011 and 2012.

- The 2011 acquisitions include the acquisitions in China of Liaoning Dalian Daxue Brewery Co. Ltd ("**Daxue**") and Henan Weixue Beer Group Co. Ltd ("**Weixue**"), and the acquisitions in the United States of Fulton Street Brewery LLC ("**Goose Island**") and certain distribution rights. Furthermore, our volumes were impacted by the progressive termination of the transitional supply agreement to brew and supply Labatt branded beer to KPS Capital Partners, L.P. ("**KPS**") following the disposal of InBev USA in 2009 and the termination of certain Staropramen brewing and distribution rights in 2011 (collectively, the "**2011 acquisitions and disposals**"). The 2012 acquisitions include the acquisition in Dominican Republic of CND (the "**2012 acquisitions**," together with the 2011 acquisitions and disposals, the "**2012 and 2011 acquisitions and disposals**"). The 2012 and 2011 acquisitions and disposals impacted positively our volumes by 2.1 million hectoliters (net) for the year ended 31 December 2012 compared to the year ended 31 December 2011. For further details of these acquisitions and disposals, see "Item 5. Operating and Financial Review—A. Key Factors affecting Results of Operations—Acquisitions, Divestitures and Other Structural Changes."

Excluding volume changes attributable to the acquisitions and disposals described above, our total volumes increased 0.3% in the year ended 31 December 2012 compared to the same period 2011. On the same basis, our own beer volumes and non-beer volumes increased 0.1% and 2.2%, respectively. Our focus brands, which represent approximately 70% of our total global beer volumes, grew 1.5% in the year ended 31 December 2012 as compared to the same period in 2011, with our three global brands, Budweiser, Stella Artois and Beck's growing by 4.1%.

***North America***

In the year ended 31 December 2012, our volumes in North America increased by 0.2% compared to the year ended 31 December 2011. Excluding the acquisitions and disposals described above, our total volumes would have increased by 0.6% over the same period. Our shipment volumes in the United States grew 0.7% and domestic United States beer sales-to-retailers grew 0.4% for the year ended 31 December 2012 compared to the same period 2011.

We estimate that our market share trends continued to show improvement in the United States, declining by less than 20 bps in the year ended 31 December 2012, with significant improvements in the premium-plus category

following the roll-out of Bud Light Platinum and Bud Light Lime *Lime-A-Rita*. We estimate that these innovations helped to grow the market share of the Bud Light Family by approximately 70 bps in the year ended 31 December 2012. Michelob Ultra, Shock Top, Stella Artois and our other high-end brands also grew share, while our market share remained under pressure as a result of softness in Budweiser and our pricing strategy of closing the gap between our sub-premium and premium brands within our portfolio.

In Canada, our beer volumes increased by 0.1% during the year ended 31 December 2012 compared to the year ended 31 December 2011, mostly driven by a tough comparison in terms of industry and the ice hockey lock-out. We estimate that our market share for the year ended 31 December 2012 was 40.6%.

***Latin America North***

In the year ended 31 December 2012, our volumes in Latin America North increased by 5.8 million hectoliters, or 4.9%, compared to the same period in 2011. Excluding the acquisitions and disposals described above, our total volumes would have increased by 3.0% over the same period, with beer volumes increasing 2.7% and soft drink volumes increasing 3.7% on the same basis.

In Brazil, our beer volumes increased 2.5% during the year ended 31 December 2012 compared to the same period in 2011, benefiting from an estimated industry growth of 3.2%, a strong 2012 Carnival execution, the positive effect of higher consumer disposable income in 2012, additional price promotions in the fourth quarter of 2012 following the partial postponement of the tax increase announced on September 2012, as well as strong execution of our commercial initiatives. However, the year over year volume growth was also impacted by an earlier than normal price increase taken during the third quarter of 2012. Our premium brands continued to grow ahead of the rest of our portfolio. We estimate that Budweiser, which has been in the market over a year, became the largest international premium brand in Brazil during the fourth quarter of 2012. Stella Artois is also growing quickly with over 45% volume growth during the year ended 31 December 2012, compared to the same period last year. We estimate that our market share was down by 50 bps during the year ended 31 December 2012 compared to the same period in 2011, reaching an average of 68.5%, primarily due to price increases in the third quarter of 2012.

***Latin America South***

Latin America South volumes for the year ended 31 December 2012 decreased by 0.3 million hectoliters, or 0.8%, with beer volumes increasing 0.1% and non-beer volumes decreasing by 2.2%, compared to the same period in 2011. Our beer volumes in Argentina declined 0.4% in the year ended 31 December 2012 compared to the same period in 2011 driven by an uncertain consumer environment and a weak industry. However, a strong performance from Quilmes and Stella Artois led to continued strong market share performance.

***Western Europe***

Our volumes, including subcontracted volumes, for the year ended 31 December 2012 decreased by 1.4 million hectoliters, or 4.4%, compared to the same period 2011. Excluding the acquisitions and disposals described above, our volumes would have decreased by 4.2% over the same period. Own beer volumes for the year ended 31 December 2012 decreased 3.5% compared to the same period 2011. On the same basis, total own products, including cider, declined by 3.0%.

In Belgium, own beer volumes decreased 4.1% in the year ended 31 December 2012 compared to the same period in 2011, driven by a weak weather-related industry performance in the first half of 2012. We estimate that market share was stable at 56.3% for the full year. In Germany, own beer volumes decreased 1.4% in the year ended 31 December 2012. We estimate that our market share was ahead during the year ended 31 December 2012, driven by a strong performance of our focus brands Beck's and Hasseröder. In the United Kingdom, own product volumes decreased 8.2% in the year ended 31 December 2012 compared to the same period in 2011, mainly driven by a weak industry and market share pressure due to competitive activity in the off-trade channel.

***Central & Eastern Europe***

Our volumes for the year ended 31 December 2012 decreased by 2.9 million hectoliters, or 11.3%, compared to the year ended 31 December 2011. In Russia, our beer volumes fell 12.0% over the same period driven by industry weakness following regulatory changes. Market share loss was driven by the implementation of tax-related and other selective price increases ahead of competitors, and promotional pressure in key account channels. However, we continued to make progress with the optimization of our brand portfolio, with our premium and super-premium brands, including Sibirskaya Korona, Bud, Stella Artois, Hoegaarden and Löwenbräu gaining an estimated 90 bps share, and now representing 35% of total volumes. We estimate that Bud achieved an estimated market share of 1.4%.

In Ukraine, our beer volumes decreased 10.3% for the year ended 31 December 2012 compared to the same period in 2011, driven by a weak industry and market share loss. However, Bud achieved an estimated market share of 1% during the nine months since launch.

***Asia Pacific***

For the year ended 31 December 2012, our volumes grew 1.7 million hectoliters, or 3.0%, compared to the same period in 2011. Excluding the acquisitions described above, our total volumes would have increased by 1.9% in the year ended 31 December 2012 compared to the same period in 2011. On the same basis, our beer volumes in China grew 1.9% as industry volumes in our footprint declined by almost 12% during the last quarter of 2012 due to severe cold and wet weather. In China, our focus brands Budweiser, Harbin and Sedrin grew 8.1% in the year ended 31 December 2012 compared to the same period in 2011. We estimate that we gained market share in the year ended 31 December 2012 compared to the same period in 2011.

We continue to strengthen our position through distribution expansion, selective acquisitions and greenfield developments. We entered into an agreement with the Dragon Group on 21 September 2012 to acquire its stake in Keytop group for an aggregate purchase price anticipated to be approximately USD 400 million. The Keytop group owns majority participations in four breweries located in the Jiangxi, Henan and Shandong provinces in China. This acquisition is expected to support our growth strategy in China through the addition of approximately nine million hectoliters in total production capacity, and the closing of the acquisition is subject to regulatory approvals and customary closing conditions.

***Global Export & Holding Companies***

For the year ended 31 December 2012, Global Export & Holding Companies remained fundamentally unchanged, compared to the same period in 2011. Excluding the acquisitions and disposals described above, our volumes would have increased by 3.6%.

**Revenue**

Revenue refers to turnover less excise taxes and discounts. See "—A. Key Factors Affecting Results of Operations—Excise Taxes."

The following table reflects changes in revenue across our business zones for the year ended 31 December 2012 as compared to our revenue for the year ended 31 December 2011.

| | Year ended 31 December 2012 | Year ended 31 December 2011 | Change (%) [1] |
|---|---|---|---|
| | *(USD million)* | | |
| North America | 16,028 | 15,304 | 4.7 |
| Latin America North | 11,455 | 11,524 | (0.6) |
| Latin America South | 3,023 | 2,704 | 11.8 |
| Western Europe | 3,625 | 3,945 | (8.1) |
| Central & Eastern Europe | 1,668 | 1,755 | (5.0) |
| Asia Pacific | 2,690 | 2,317 | 16.1 |
| Global Export & Holding Companies | 1,270 | 1,496 | (15.1) |
| **Total** | **39,758** | **39,046** | **1.8** |

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

Our consolidated revenue was USD 39,758 million for the year ended 31 December 2012. This represented an increase of USD 712 million, or 1.8%, as compared to our consolidated revenue for the year ended 31 December 2011. The results for the year ended 31 December 2012 reflect the performance of our business after the completion of certain acquisitions and disposals we undertook in 2011 and 2012 and currency translation effects.

- The 2012 and 2011 acquisitions and disposals (defined above) positively impacted our consolidated revenue by USD 312 million (net) for the year ended 31 December 2012 compared to the year ended 31 December 2011. For further details of these acquisitions and disposals, see "Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Acquisitions, Divestitures and Other Structural Changes."
- Our consolidated revenue for the year ended 31 December 2012 also reflects an unfavorable currency translation impact of USD 2,421 million mainly arising from currency translation effects in Latin America North, Latin America South and Western Europe.

Excluding the effects of the business acquisitions and disposals described above and currency translation effects, our revenue would have increased 7.2% for the year ended 31 December 2012 compared to the year ended 31 December 2011. Our consolidated revenue for the year ended 31 December 2012 was partly impacted by the developments in volumes discussed above. On the same basis, revenue per hectoliter improved 7.8%, resulting from favorable brand mix and revenue management best practices.

The main business zones contributing to growth in our consolidated revenues were North America, driven by the benefit of the price increase implemented at the end of 2011, as well as positive brand mix; Latin America North, due to the price increases implemented the third quarter of 2012, positive premium brand mix and higher direct distribution, partly offset by higher taxes; Latin America South, as a result of revenue growth offsetting high cost inflation; and Asia Pacific driven by volume, brand mix and selective price increases.

**Cost of Sales**

The following table reflects changes in cost of sales across our business zones for the year ended 31 December 2012 as compared to the year ended 31 December 2011:

| | Year ended 31 December 2012 | Year ended 31 December 2011 | Change (%)[1] |
|---|---|---|---|
| | *(USD million)* | | |
| North America | (6,637) | (6,726) | 1.3 |
| Latin America North | (3,650) | (3,738) | 2.4 |
| Latin America South | (1,114) | (1,040) | (7.1) |
| Western Europe | (1,550) | (1,652) | 6.2 |
| Central & Eastern Europe | (914) | (984) | 7.1 |
| Asia Pacific | (1,565) | (1,319) | (18.7) |
| Global Export & Holding Companies | (1,018) | (1,174) | 13.3 |
| **Total** | **(16,447)** | **(16,634)** | **1.1** |

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

Our consolidated cost of sales was USD 16,447 million for the year ended 31 December 2012. This represented a decrease of USD 187 million, or 1.1%, compared to our consolidated cost of sales for the year ended 31 December 2011. The results for the year ended 31 December 2012 reflect the performance of our business after the completion of certain acquisitions and disposals we undertook in 2011 and 2012 and currency translation effects.

- The 2012 and 2011 acquisitions and disposals described above negatively impacted our consolidated cost of sales by USD 95 million (net) for the year ended 31 December 2012 compared to the year ended

31 December 2011. For further details of these acquisitions and disposals, see "Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Acquisitions, Divestitures and Other Structural Changes."

- Our consolidated cost of sales for the year ended 31 December 2012 also reflects a positive currency translation impact of USD 762 million mainly arising from currency translation effects in Latin America North, Latin America South and Western Europe.

It should also be noted that the U.S. distribution system was amended at the start of 2012, from a freight pass-through to a delivered price model. Consequently, in 2012, our cost of sales decreased and our distribution expenses increased, with no net impact on EBITDA, as defined. The adjustment for the year ended 31 December 2012, therefore, includes a scope adjustment between cost of sales and distribution expenses of approximately 6% of 2011 North America cost of sales.

Excluding the effects of the business acquisitions and disposals described above, currency translation effects, and the effects of the amendment of the distribution system in the United States from a freight pass through system to a delivered price model as described above, our cost of sales would have increased by 5.4%. Our consolidated cost of sales for the year ended 31 December 2012 was partly impacted by the developments in volumes discussed above. On the same basis, cost of sales increased 7.0% on a per hectoliter basis as compared to the year ended 31 December 2011, primarily driven by higher commodity costs in most zones, higher labor costs in Latin America South, and brand mix in North America and China.

**Operating Expenses**

The discussion below relates to our operating expenses, which equal the sum of our distribution expenses, sales and marketing expenses, administrative expenses and other operating income and expenses (net), for the year ended 31 December 2012 as compared to the year ended 31 December 2011. Our operating expenses do not include exceptional charges, which are reported separately.

Our operating expenses for the year ended 31 December 2012 were USD 10,546 million, representing an increase of USD 741 million, or 7.6% compared to our operating expenses for the same period 2011.

**Distribution expenses**

The following table reflects changes in distribution expenses across our business zones for the year ended 31 December 2012 as compared to the year ended 31 December 2011:

| | Year ended 31 December 2012 | Year ended 31 December 2011 | Change (%)[1] |
|---|---|---|---|
| | *(USD million)* | | |
| North America | (1,317) | (807) | (63.2) |
| Latin America North | (1,311) | (1,332) | 1.6 |
| Latin America South | (263) | (227) | (15.9) |
| Western Europe | (364) | (409) | 11.0 |
| Central & Eastern Europe | (184) | (224) | 17.9 |
| Asia Pacific | (235) | (193) | (21.8) |
| Global Export & Holding Companies | (111) | (120) | 7.5 |
| **Total** | **(3,785)** | **(3,313)** | **(14.2)** |

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

Our consolidated distribution expenses were USD 3,785 million for the year ended 31 December 2012. This represented an increase of USD 472 million, or 14.2%, as compared to the year ended 31 December 2011. The results for the year ended 31 December 2012 reflect the performance of our business after the completion of certain acquisitions and disposals we undertook in 2011 and 2012 and currency translation effects.

- The 2012 and 2011 acquisitions and disposals described above negatively impacted our consolidated distribution expenses by USD 24 million (net) for the year ended 31 December 2012 compared to the year ended 31 December 2011. For further details of these acquisitions and disposals, see "Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Acquisitions, Divestitures and Other Structural Changes."
- Our consolidated distribution expenses for the year ended 31 December 2012 also reflect a positive currency translation impact of USD 279 million.

Excluding the effects of the business acquisitions and disposals, the currency translation effects described above, and the effects of the amendment of the distribution system in the United States from a freight pass through system to a delivered price model as described above, the increase in distribution expenses for the year ended 31 December 2012 as compared to the same period in 2011 would have been 8.9%, driven by (i) higher transportation costs and additional own distribution operations in both the United States and Brazil; (ii) the roll-out of our innovations in the United States, particularly Bud Light Lime *Lime-A-Rita*; and (iii) higher labor and transportation costs in Argentina and China.

**Sales and marketing expenses**

Marketing expenses include all costs relating to the support and promotion of brands, including operating costs (such as payroll and office costs) of the marketing departments, advertising costs (such as agency costs and media costs), sponsoring and events and surveys and market research. Sales expenses include all costs relating to the selling of products, including operating costs (such as payroll and office costs) of the sales department and sales force.

The following table reflects changes in sales and marketing expenses across our business zones for the year ended 31 December 2012 as compared to the year ended 31 December 2011:

| | Year ended 31 December 2012 | Year ended 31 December 2011 | Change (%)[1] |
|---|---|---|---|
| | *(USD million)* | | |
| North America | (1,798) | (1,640) | (9.6) |
| Latin America North | (1,245) | (1,263) | 1.4 |
| Latin America South | (296) | (272) | (8.8) |
| Western Europe | (649) | (760) | 14.6 |
| Central & Eastern Europe | (400) | (420) | 4.8 |
| Asia Pacific | (670) | (588) | (13.9) |
| Global Export & Holding Companies | (200) | (200) | — |
| **Total** | **(5,258)** | **(5,143)** | **(2.2)** |

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

Our consolidated sales and marketing expenses were USD 5,258 million for the year ended 31 December 2012. This represented an increase of USD 115 million, or 2.2%, as compared to our consolidated sales and marketing expenses for the year ended 31 December 2011. The results for the year ended 31 December 2012 reflect the performance of our business after the completion of certain acquisitions and disposals we undertook in 2011 and 2012 and currency translation effects.

- The 2012 and 2011 acquisitions and disposals described above negatively impacted our consolidated sales and marketing expenses by USD 50 million (net) for the year ended 31 December 2012 compared to the year ended 31 December 2011. For further details of these acquisitions and disposals, see "Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Acquisitions, Divestitures and Other Structural Changes."
- Our consolidated sales and marketing expenses for the year ended 31 December 2012 also reflect a positive currency translation impact of USD 286 million.

Excluding the effects of the business acquisitions and disposals described above and currency translation effects, our overall sales and marketing expenses for the year ended 31 December 2012 as compared to the same period in 2011 would have increased 6.8% due to higher investments behind our brands and innovations.

**Administrative expenses**

The following table reflects changes in administrative expenses across our business zones for the year ended 31 December 2012 as compared to the year ended 31 December 2011:

| | Year ended 31 December 2012 | Year ended 31 December 2011 | Change (%)[1] |
|---|---|---|---|
| | *(USD million)* | | |
| North America | (458) | (475) | 3.6 |
| Latin America North | (600) | (535) | (12.1) |
| Latin America South | (93) | (85) | (9.4) |
| Western Europe | (267) | (305) | 12.5 |
| Central & Eastern Europe | (113) | (108) | (4.6) |
| Asia Pacific | (274) | (221) | (24.0) |
| Global Export & Holding Companies | (382) | (314) | (21.7) |
| **Total** | **(2,187)** | **(2,043)** | **(7.0)** |

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

Our consolidated administrative expenses were USD 2,187 million for the year ended 31 December 2012. This represented an increase of USD 144 million, or 7.0%, as compared to our consolidated administrative expenses for the year ended 31 December 2011. The results for the year ended 31 December 2012 reflect the performance of our business after the completion of certain acquisitions and disposals we undertook in 2011 and 2012 and currency translation effects.

- The 2012 and 2011 acquisitions and disposals described above negatively impacted our consolidated administrative expenses by USD 41 million (net) for the year ended 31 December 2012 compared to the year ended 31 December 2011. For further details of these acquisitions and disposals, see "Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Acquisitions, Divestitures and Other Structural Changes."
- Our consolidated administrative expenses for the year ended 31 December 2012 also reflect a positive currency translation impact of USD 151 million.

Excluding the effects of the business acquisitions and disposals and the currency translation effects described above, administrative expenses would have increased by 12.4% for the year ended 31 December 2012 as compared to the same period in 2011 with higher variable compensation accruals in most zones, as well as geographic expansion costs in China, partly offset by tight cost management in North America and Western Europe.

**Other operating income/(expense)**

The following table reflects changes in other operating income and expenses across our business zones for the year ended 31 December 2012 as compared to the year ended 31 December 2011:

| | Year ended 31 December 2012 | Year ended 31 December 2011 | Change (%)[1] |
|---|---|---|---|
| | *(USD million)* | | |
| North America | 64 | 54 | 18.5 |
| Latin America North | 426 | 462 | (7.8) |
| Latin America South | 4 | 1 | 300.0 |
| Western Europe | 24 | 37 | (35.1) |
| Central & Eastern Europe | 5 | 2 | 150.0 |
| Asia Pacific | 121 | 90 | 34.4 |
| Global Export & Holding Companies | 40 | 48 | (16.7) |
| **Total** | **684** | **694** | **(1.4)** |

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

The net positive effect of our other operating income and expenses for the year ended 31 December 2012 was USD 684 million. This represented a decrease of USD 10 million, or 1.4%, compared to the year ended 31 December 2011. The results for the year ended 31 December 2012 reflect a negative translation impact of USD 73 million.

Excluding the effects of currency translation effects, the net positive effect of our other operating income and expenses would have increased by 8.3% for the year ended 31 December 2012 as compared to the same period in 2011.

**Exceptional Items**

Exceptional items are items which, in our management's judgment, need to be disclosed separately by virtue of their size and incidence in order to obtain a proper understanding of our financial information. We consider these items to be of significance in nature, and accordingly, our management has excluded these items from their segment measures of performance.

For the year ended 31 December 2012, exceptional items consisted of restructuring charges, business and asset disposals, and acquisition costs of business combinations. Exceptional items were as follows for the year ended 31 December 2012 and 2011:

| | Year ended 31 December 2012 | Year ended 31 December 2011 |
|---|---|---|
| | *(USD million)* | |
| Restructuring (including impairment losses) | (36) | (351) |
| Business and asset disposal (including impairment losses) | 58 | 78 |
| Acquisitions costs business combinations | (54) | (5) |
| **Total** | **(32)** | **(278)** |

***Restructuring***

Exceptional restructuring charges (including impairment losses) amounted to a net cost of USD 36 million for the year ended 31 December 2012 as compared to a net cost of USD 351 million for the year ended 31 December 2011. The 2012 charges are primarily related to organizational alignments in North America and Europe and to the integration of CND in order to eliminate overlap or duplicated processes. These one-time expenses as a result of the series of decisions provide us with a lower cost base in addition to a stronger focus on our core activities, quicker decision-making and improvements to efficiency, service and quality.

***Business and asset disposal***

Business and asset disposals (including impairment losses) amounted to a net benefit of USD 58 million for the year ended 31 December 2012 compared to a net benefit of USD 78 million for the same period in 2011. The 2012 net benefit relates mainly to the sale of certain non-core assets, with a net gain of USD 51 million, and USD 7 million reversal of provisions for contractual exposures related to divestitures of previous years.

***Acquisition costs business combinations***

Acquisition costs of USD 54 million for the year ended 31 December 2012 relate to costs incurred for the combination with Grupo Modelo announced on 29 June 2012 and the acquisition of CND on 11 May 2012.

**Profit from Operations**

The following table reflects changes in profit from operations across our business zones for the year ended 31 December 2012 as compared to the year ended 31 December 2011:

| | Year ended 31 December 2012 | Year ended 31 December 2011 | Change (%)[1] |
|---|---|---|---|
| | *(USD million)* | | |
| North America | 5,928 | 5,521 | 7.4 |
| Latin America North | 5,049 | 5,139 | (1.8) |
| Latin America South | 1,261 | 1,076 | 17.2 |
| Western Europe | 817 | 733 | 11.5 |
| Central & Eastern Europe | 57 | 21 | 171.4 |
| Asia Pacific | 69 | 77 | (10.4) |
| Global Export & Holding Companies | (447) | (238) | (87.8) |
| **Total** | **12,733** | **12,329** | **3.3** |

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

Our profit from operations increased to USD 12,733 million for the year ended 31 December 2012. This represented an increase of USD 404 million, or 3.3%, as compared to our profit from operations for the year ended 31 December 2011. The results for the year ended 31 December 2012 reflect the performance of our business after the completion of certain acquisitions and disposals we undertook in 2011 and 2012, currency translation effects and the effects of certain exceptional items as described above.

- The 2012 and 2011 acquisitions and disposals described above positively impacted our consolidated profit from operations by USD 89 million (net) for the year ended 31 December 2012 compared to the year ended 31 December 2011. For further details of these acquisitions and disposals, see “Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Acquisitions, Divestitures and Other Structural Changes.”
- Our consolidated profit from operations for the year ended 31 December 2012 also reflects a negative currency translation impact of USD 1,070 million.

Our profit from operations for the year ended 31 December 2012 was negatively impacted by USD 32 million of certain exceptional items, as compared to a negative impact of USD 278 million for the year ended 31 December 2011. See "—Exceptional Items" above for a description of the exceptional items during the years ended 31 December 2012 and 2011.

**EBITDA, as defined**

The following table reflects changes in our EBITDA, as defined, for the year ended 31 December 2012 as compared to the year ended 31 December 2011:

| | Year ended 31 December 2012 | Year ended 31 December 2011 | Change (%)[1] |
|---|---|---|---|
| | *(USD million)* | | |
| Profit | 9,434 | 7,959 | 18.5 |
| Net finance cost | 2,206 | 3,137 | 29.7 |
| Income tax expense | 1,717 | 1,856 | 7.5 |
| Share of result of associates | (624) | (623) | 0.2 |
| **Profit from operations** | **12,733** | **12,329** | **3.3** |
| Depreciation, amortization and impairment | 2,747 | 2,783 | 1.3 |
| **EBITDA, as defined** | **15,480** | **15,112** | **2.4** |

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

A performance measure such as EBITDA, as defined, is a non-IFRS measure. The financial measure most directly comparable to EBITDA, as defined, presented in accordance with IFRS in our consolidated financial statements, is profit. EBITDA, as defined, is a measure used by our management to evaluate our business performance and is defined as profit from operations before depreciation, amortization and impairment. EBITDA, as defined, is a key component of the measures that are provided to senior management on a monthly basis at the group level, the zone level and lower levels. We believe EBITDA, as defined, is useful to investors for the following reasons.

We believe EBITDA, as defined, facilitates comparisons of our operating performance across our zones from period to period. In comparison to profit, EBITDA, as defined, excludes items which do not impact the day-to-day operation of our primary business (that is, the selling of beer and other operational businesses) and over which management has little control. Items excluded from EBITDA, as defined, are our share of results of associates, depreciation and amortization, impairment, financial charges and corporate income taxes, which management does not consider to be items that drive our company's underlying business performance. Because EBITDA, as defined, includes only items management can directly control or influence, it forms part of the basis for many of our performance targets. For example, certain options under our share-based compensation plan were granted such that they vest only when certain targets derived from EBITDA, as defined, are met.

We further believe that EBITDA, as defined, and measures derived from it, are frequently used by securities analysts, investors and other interested parties in their evaluation of our company and in comparison to other companies, many of which present an EBITDA performance measure when reporting their results.

EBITDA, as defined, does, however, have limitations as an analytical tool. It is not a recognized term under IFRS and does not purport to be an alternative to profit as a measure of operating performance, or to cash flows from operating activities as a measure of liquidity. As a result, you should not consider EBITDA, as defined, in isolation from, or as a substitute analysis for, our results of operations. Some limitations of EBITDA, as defined, are:

- EBITDA, as defined, does not reflect the impact of financing costs on our operating performance. Such costs are significant in light of our increased debt;

- EBITDA, as defined, does not reflect depreciation and amortization, but the assets being depreciated and amortized will often have to be replaced in the future;
- EBITDA, as defined, does not reflect the impact of charges for existing capital assets or their replacements;
- EBITDA, as defined, does not reflect our tax expense; and
- EBITDA, as defined, may not be comparable to other similarly titled measures of other companies because not all companies use identical calculations.

Additionally, EBITDA, as defined, is not intended to be a measure of free cash flow for management's discretionary use, as it is not adjusted for all non-cash income or expense items that are reflected in our consolidated statement of cash flows.

We compensate for these limitations, in addition to using EBITDA, as defined, by relying on our results calculated in accordance with IFRS.

Our EBITDA, as defined, increased to USD 15,480 million for the year ended 31 December 2012. This represented an increase of USD 368 million, or 2.4%, as compared to our EBITDA, as defined, for the year ended 31 December 2011. The results for the year ended 31 December 2012 reflect the performance of our business after the completion of the acquisitions and disposals we undertook in 2011 and 2012 discussed above and currency translation effects. Furthermore, our EBITDA, as defined, was negatively impacted by USD 32 million (before impairment losses) of certain exceptional items in the year ended 31 December 2012, as compared to a negative impact of USD 245 million during the year ended 31 December 2011. See "—Exceptional Items" above for a description of the exceptional items during the years ended 31 December 2012 and 2011.

***Net Finance Cost***

Our net finance cost items were as follows for the years ended 31 December 2012 and 2011:

| | Year ended 31 December 2012 | Year ended 31 December 2011 | Change (%)[1] |
|---|---|---|---|
| | *(USD million)* | | |
| Net interest expense | (1,802) | (2,333) | 22.8 |
| Accretion expense | (270) | (209) | (29.2) |
| Other financial results | (116) | (55) | (110.9) |
| **Net finance costs before exceptional finance costs** | **(2,188)** | **(2,597)** | **15.7** |
| Mark-to-market adjustment on derivatives | — | (246) | — |
| Accelerated accretion expense | — | (77) | — |
| Other financial results | (18) | (217) | 91.7 |
| **Exceptional finance costs** | **(18)** | **(540)** | **96.7** |
| **Net finance costs** | **(2,206)** | **(3,137)** | **29.7** |

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

Our net finance cost for the year ended 31 December 2012 was USD 2,206 million, as compared to USD 3,137 million for the year ended 31 December 2011, or a decrease of USD 931 million.

Net interest expenses reached USD 1,802 million for the year ended 31 December 2012 compared to USD 2,333 million for the same period in 2011, mainly as a result of reduced net debt levels and the lower coupon resulting from the debt refinancing and repayments which occurred in 2011.

Other financial results for the year ended 31 December 2012 amount to a net cost of USD 116 million primarily due to non-cash unrealized foreign exchange translation losses on intercompany payables and loans, costs of currency and commodity hedges, the payment of bank fees and taxes on financial transactions in the normal course of business, partially offset by gains from derivative contracts to hedge risks associated with different share-based compensation programs. Accretion expense of USD 270 million in the year ended 31 December 2012 increased primarily due to the IFRS accounting treatment for the put option associated with our investment in CND in Dominican Republic, following the closing of the transaction in May 2012. This non-cash expense will be approximately USD 30 million in a full quarter.

In light of the proposed acquisition of the remaining stake in Grupo Modelo, we recognized an exceptional finance cost of USD 18 million during the year ended 31 December 2012 related to commitment fees for the 2012 facilities agreement we entered into to fund the acquisition. Such commitment fees accrue and are payable periodically on the aggregate undrawn but available funds under these facilities.

***Share of result of associates***

Our share of result of associates for the year ended 31 December 2012 was USD 624 million as compared to USD 623 million for the year ended 31 December 2011, attributable to the results of our investment in Grupo Modelo in Mexico.

***Income Tax Expense***

Our total income tax expense for the year ended 31 December 2012 amounted to USD 1,717 million, with an effective tax rate of 16.3% (as compared to 20.2% for the year ended 31 December 2011). The decrease in the effective tax rate mainly results from a shift in profit mix to countries with lower marginal tax rates, incremental tax benefits, the non-taxable nature of gains from certain derivatives related to the hedging of share-based payment programs, as well as the favorable outcomes of tax claims and uncertain tax positions recognized in prior years amounting to USD 203 million.

In 2012 and 2011 we recognized the benefit at the Ambev level from the impact of interest on equity payments and tax deductible goodwill resulting from the merger between InBev Holding Brasil S.A. and Ambev in July 2005 and the acquisition of Quinsa in August 2006. See “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Ambev Special Goodwill Reserve.” The impact of the tax deductible goodwill resulting from the merger between InBev Holding Brasil S.A. and Ambev in July 2005 was to reduce income tax expense for the year ended 31 December 2012 by USD 180 million, and the impact of the tax deductible goodwill resulting from the acquisition of Quinsa in August 2006 was to reduce income tax expense for the year end 2012 by USD 55 million. In December 2011, Ambev received a tax assessment related to the goodwill amortization resulting from the merger between InBev Holding Brasil S.A. and Ambev. In the event Ambev is required to pay these amounts, we shall reimburse Ambev the amount proportional to the benefit received by us pursuant to the merger protocol, as well as the respective costs. See “Item 8. Financial Information—A. Consolidated Financial Statements and Other Financial Information—Legal and Arbitration Proceedings—Ambev and its Subsidiaries—Special Goodwill Reserve” for further information.

***Profit Attributable to Non-Controlling Interests***

The profit attributable to non-controlling interests was USD 2,191 million for the year ended 31 December 2012, an increase of USD 87 million from USD 2,104 million for the year ended 31 December 2011, as improved operating performance in Ambev was partially reduced by currency translation effects.

***Profit Attributable to Our Equity Holders***

Profit attributable to our equity holders for the year ended 31 December 2012 was USD 7,243 million with basic earnings per share of USD 4.53, based on 1,600 million shares outstanding, representing the weighted average number of shares outstanding during the year ended 31 December 2012. Excluding the exceptional items discussed above, profit attributable to our equity holders for the year ended 31 December 2012 would have been USD 7,283 million and basic earnings per share would have been USD 4.55.

**Year Ended 31 December 2011 Compared to the Year Ended 31 December 2010**

***Volumes***

Our reported volumes include both beer and non-beer (primarily carbonated soft drinks) volumes. In addition, volumes include not only brands that we own or license, but also third-party brands that we brew or otherwise produce as a subcontractor and third-party products that we sell through our distribution network, particularly in Western Europe. Volumes sold by the Global Export & Holding Companies businesses are shown separately. Our pro rata share of volumes in Grupo Modelo is not included in the reported volumes.

The table below summarizes the volume evolution by zone.

| | Year ended 31 December 2011 | Year ended 31 December 2010 | Change (%)[1] |
|---|---|---|---|
| | (thousand hectoliters) | | |
| North America | 124,899 | 129,476 | (3.5) |
| Latin America North | 120,340 | 120,056 | 0.2 |
| Latin America South | 34,565 | 33,854 | 2.1 |
| Western Europe | 30,887 | 31,833 | (3.0) |
| Central & Eastern Europe | 25,690 | 26,750 | (4.0) |
| Asia Pacific | 55,980 | 50,268 | 11.4 |
| Global Export & Holding Companies | 7,004 | 6,681 | 4.8 |
| **Total** | **399,365** | **398,918** | **0.1** |

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

Our consolidated volumes for the year ended 31 December 2011 increased 0.4 million hectoliters, or 0.1%, to 399.4 million hectoliters compared to our consolidated volumes for the year ended 31 December 2010.

The results for the year ended 31 December 2011 reflect the performance of our business after the completion of certain acquisitions and disposals we undertook in 2010 and 2011. The 2010 acquisitions and disposals include the acquisition of certain distribution rights in the United States and the transaction entered into between Ambev and Cerveceria Regional S.A in Venezuela. The 2011 acquisitions include the acquisitions in China of Liaoning Dalian Daxue and Henan Weixue Beer Group Co. Ltd. and the acquisitions in the United States of Fulton Street Brewery LLC ("**Goose Island**") and certain distribution rights. Furthermore, our volumes were impacted by the progressive termination of the transitional supply agreement to brew and supply Labatt branded beer to KPS Capital Partners, L.P. following the disposal of InBev USA in 2009 and the termination of certain Staropramen brewing and distribution rights in 2011. These transactions impacted positively our volumes by 1.3 million hectoliters (net) for the year ended 31 December 2011 compared to the year ended 31 December 2010. For further details of these acquisitions and dispositions, see "Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Acquisitions, Divestitures and Other Structural Changes."

Excluding volume changes attributable to the acquisitions and disposals described above, our own beer volumes remained basically flat in the year ended 31 December 2011 compared to our volumes for the year ended 31 December 2010, with a difficult comparison with the 2010 volumes, which saw strong growth in certain zones driven by the FIFA World Cup™. Our focus brands, which globally represented approximately 70% of our total beer volume in 2011, grew 0.8% in year ended 31 December 2011 as compared to 2010 led by Quilmes in Argentina, Antarctica in Brazil, and Budweiser and Harbin in China and Bud in Russia. On the same basis, in the period ended 30 December 2011, our non-beer volumes increased by 1.5% compared to the same period in 2010. Third-party volumes decreased by 29.5% year on year due to the termination of legacy third-party commercial products contracts in Western Europe.

***North America***

In the year ended 31 December 2011, our volumes in North America declined by 4.6 million hectoliters or 3.5% compared to the year ended 31 December 2010. Excluding the acquisitions and disposals described above, our total volume would have decreased by 3.1%. Shipment volumes in the United States declined 3.2% with domestic United States beer sales-to-retailers decreasing 3.0% for the year ended 31 December 2011 compared to 31 December 2010.

In the United States, industry volumes were impacted by weak consumer confidence, as well as poor weather and high gas prices during the second quarter of 2011. We estimate both that the industry volumes as a whole, and our market share, declined in the year ended 31 December 2011 in comparison to 2010. We estimate that we gained share with Michelob Ultra and our high end portfolio (led by Stella Artois and Shock Top) and that we maintained share with Bud Light, but as anticipated, we continued to experience market share loss in the sub-premium segment following the implementation of our strategy to close the price gap between our sub-premium and premium brands in the last quarter of 2010. We estimate that Budweiser lost market share during 2011, but that the rate of decline continued to decelerate.

In Canada, our beer volumes fell 1.3% during the year ended 31 December 2011, partly attributable to the benefit of the Winter Olympics in the first quarter of 2010, as well as industry weakness at the beginning of 2011. During the second half of 2011, the industry showed some recovery, but remained soft. We believe that Budweiser continued to consolidate its position as the country's number one brand, gaining market share in 2011.

***Latin America North***

In the year ended 31 December 2011, our volumes in Latin America North remained flat compared to the same period in 2010. Excluding the transaction related to Venezuela described above, our total volumes would have increased by 0.7%, with beer volume increasing 0.5% and soft drink increasing 1.1% on the same basis. In Brazil, we estimate that industry beer volumes grew by 1.8% with our beer volume remaining basically flat for the year ended 31 December 2011, compared to the same period in 2010, following our decision to focus more on revenue management and profitability, rather than volume. Additionally, volumes in 2011 reflect difficult comparables with the strong beer growth experienced during the year ended 31 December 2010 compared to the same period in 2009, when our beer and soft drink volumes in Brazil grew by 10.7% and 7.9%, respectively, helped by the FIFA World Cup™, successful innovation launches and market share gains. Low growth in real disposable income in the zone also impacted our volumes in 2011.

We estimate that our market share for the year 2011 was the second highest level in the last ten years.

***Latin America South***

Latin America South volumes for the year ended 31 December 2011 increased by 0.7 million hectoliters, or 2.1%, with beer and non-beer volumes increasing 3.0% and 0.6%, respectively, compared to the same period in 2010. Beer volumes in Argentina grew 4.7% in the year ended 31 December 2011 compared to the same period in 2010 as a result of industry growth and market share gains. Stella Artois continued to deliver a strong performance in the premium segment. We saw growth in the Quilmes brand in 2011, supported by product innovations, including the launch of the aluminum bottle in the night-life channel.

***Western Europe***

Own beer volume for the year ended 31 December 2011 increased 0.4%. Our volumes, including subcontracted volumes and excluding the acquisitions and disposals described above, for the year ended 31 December 2011 decreased by 2.8%, compared to the year ended 31 December 2010, following the termination of third-party legacy commercial products contracts in the United Kingdom in March 2011. We estimate that third-party products volumes in the United Kingdom represented approximately 6% of our total Western Europe volumes for the year ended 31 December 2011, down from nearly 10% in 2010.

In Belgium, own beer volume grew 1.6% in year ended 31 December 2011 mainly driven by positive industry dynamics, with market share marginally ahead of 2010. The increase was partially offset by an exceptionally cold and rainy summer period. In Germany, own beer volumes increased 5.2% in the year ended 31 December 2011 driven by the relisting of our products by a major retail customer and a strong performance from our focus brands.

We estimate that our market share in Germany reached its second highest level in history. In the United Kingdom, own beer volumes declined 6.0% in the year ended 31 December 2011, impacted by poor summer weather and with a difficult comparison with the growth experienced in the first half of 2010, which was driven by the FIFA World Cup™ and the re-launch of Budweiser.

***Central & Eastern Europe***

Our volumes for the year ended 31 December 2011 decreased 4.0% compared to the year ended 31 December 2010. In Russia, beer volumes fell 5.6% for the year ended 31 December 2011 as market conditions continued to be challenging and with difficult volume comparisons due to an exceptionally hot summer in 2010. We estimate we gained market share in value terms as a consequence of our premiumization strategy, driven by a strong performance of our super premium brands Bud, Hoegaarden and Stella Artois.

In Ukraine, beer volumes decreased 1.4% for the year ended 31 December 2011 driven by lower industry volumes, which were partially offset by market share gains following several product and packaging innovations supporting our main brand Chernigivske, including Chernigivske Gold Premium and Chezz.

***Asia Pacific***

For the year ended 31 December 2011, our volumes grew 5.7 million hectoliters, or 11.4%, compared to the same period in 2010. Excluding the acquisitions described above, our total volume would have increased by 6.6%. Beer volumes in China grew 6.4% for the year ended 31 December 2011 compared to the same period in 2010. Our three "focus brands" in China, Budweiser, Harbin and Sedrin, which represent almost 70% of our volume in China, grew by double digits with all three brands contributing to growth, benefiting from further geographic expansion and product innovations.

***Global Export & Holding Companies***

For the year ended 31 December 2011, Global Export & Holding Companies volume increased 0.3 million hectoliters, or 4.8%, compared to the same period in 2010. Excluding the transfer of activities from North America, volumes for the year ended 31 December 2011 would have increased by 3.4%.

**Revenue**

Revenue refers to turnover less excise taxes and discounts. See "—A. Key Factors Affecting Results of Operations—Excise Taxes."

The following table reflects changes in revenue across our business zones for the year ended 31 December 2011 as compared to our revenue for the year ended 31 December 2010.

| | Year ended 31 December 2011 | Year ended 31 December 2010 | Change (%) (1) |
|---|---|---|---|
| | *(USD million)* | | |
| North America | 15,304 | 15,296 | 0.1 |
| Latin America North | 11,524 | 10,018 | 15.0 |
| Latin America South | 2,704 | 2,182 | 23.9 |
| Western Europe | 3,945 | 3,937 | 0.2 |
| Central & Eastern Europe | 1,755 | 1,619 | 8.4 |
| Asia Pacific | 2,317 | 1,767 | 31.1 |
| Global Export & Holding Companies | 1,496 | 1,479 | 1.1 |
| **Total** | **39,046** | **36,297** | **7.6** |

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

Our consolidated revenue was USD 39,046 million for the year ended 31 December 2011. This represented an increase of USD 2,749 million, or 7.6%, as compared to our consolidated revenue for the year ended 31 December 2010. The results for the year ended 31 December 2011 reflect the performance of our business after the completion of certain acquisitions and disposals we undertook in 2010 and 2011 and currency translation effects.

- The 2010 acquisitions and disposals include the acquisition of certain distribution rights in the United States, the transaction entered into between Ambev and Cerveceria Regional S.A. in Venezuela and the disposal of certain non-core assets in the United States (collectively the "2010 acquisitions and disposals"). The 2011 acquisitions include the acquisitions in China of Daxue and Weixue, and the acquisitions in the United States of Goose Island and certain distribution rights. Furthermore, the 2011 volumes were impacted by the progressive termination of the transitional supply agreement to brew and supply Labatt branded beer to KPS following the disposal of InBev USA in 2009 (collectively the "2011 acquisitions and disposals" and together with the 2010 acquisitions and disposals, the "2010 and 2011 acquisitions and disposals"). These acquisitions and disposals negatively impacted our consolidated revenue by USD 137 million (net) for the year ended 31 December 2011 compared to the year ended 31 December 2010. For further details of these acquisitions and dispositions, see "Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Acquisitions, Divestitures and Other Structural Changes."
- Our consolidated revenue for the year ended 31 December 2011 also reflects a favorable currency translation impact of USD 1,137 million mainly arising from currency translation effects in Latin America North, Western Europe, North America (Canada) and Asia Pacific.

Excluding the effects of the business acquisitions and disposals described above, currency translation effects and the conversion in 2011 of certain sales expenses into discount programs in Asia Pacific, our revenue would have increased 4.6% for the year ended 31 December 2011 compared to the year ended 31 December 2010. On the same basis, revenue per hectoliter improved 5.0%. The increase was driven by the consistent execution of our brand-building strategies across our markets, the implementation of revenue management best practices, as well as selective price increases in the latter part of the year in anticipation of higher commodity costs in 2012. Our consolidated revenue for the year ended 31 December 2011 was partly impacted by the developments in volume discussed above.

The main business zones contributing to growth in our consolidated revenues were Latin America North, driven by price adjustments implemented in Brazil and higher direct distribution volumes, partially offset by the impact of the federal tax increase on beer and soft drinks which took effect in April 2011; Latin America South as a result of industry growth in Argentina; Asia Pacific supported by improved brand mix, package mix and selective price increases; and estimated growth in market share by value terms in Central and Eastern Europe during 2011 driven by the performance of our super premium brands Bud, Hoegaarden and Stella Artois.

**Cost of Sales**

The following table reflects changes in cost of sales across our business zones for the year ended 31 December 2011 as compared to the year ended 31 December 2010:

| | Year ended 31 December 2011 | Year ended 30 December 2010 | Change (%)[1] |
|---|---|---|---|
| | *(USD million)* | | |
| North America | (6,726) | (6,946) | 3.2 |
| Latin America North | (3,738) | (3,410) | (9.6) |
| Latin America South | (1,040) | (842) | (23.5) |
| Western Europe | (1,652) | (1,883) | 12.3 |
| Central & Eastern Europe | (984) | (857) | (14.8) |
| Asia Pacific | (1,319) | (1,008) | (30.9) |
| Global Export & Holding Companies | (1,174) | (1,206) | 2.7 |
| **Total** | **(16,634)** | **(16,151)** | **(3.0)** |

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

Our consolidated cost of sales was USD 16,634 million for the year ended 31 December 2011. This represented an increase of USD 483 million, or 3.0%, compared to our consolidated cost of sales for the year ended 31 December 2010. The results for the year ended 31 December 2011 reflect the performance of our business after the completion of certain acquisitions and disposals we undertook in 2010 and 2011 and currency translation effects.

- The 2010 and 2011 acquisitions and disposals described above positively impacted our consolidated cost of sales by USD 139 million (net) for the year ended 31 December 2011 compared to the year ended 31 December 2010. For further details of these acquisitions and dispositions, see "Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Acquisitions, Divestitures and Other Structural Changes."
- Our consolidated cost of sales for the year ended 31 December 2011 also reflects a negative currency translation impact of USD 389 million mainly arising from currency translation effects in Latin America North, Western Europe, North America (Canada) and Asia Pacific.

Excluding the effects of the business acquisitions and disposals described above, currency translation effects, and the effect of the review of the useful lives of certain of our fixed assets performed in 2010 on depreciation expenses, our cost of sales would have increased by 1.6%. Our consolidated cost of sales for the year ended 31 December 2011 was partly impacted by the developments in volume discussed above. On the same basis, cost of sales increased 1.7% on a per hectoliter basis as compared to the year ended 31 December 2010, primarily driven by higher input and production costs in Central and Eastern Europe, Latin America South and Asia Pacific. This increase was partially offset by favorable currency hedges and lower aluminum can costs in Latin America North, procurement savings and the implementation of best practice programs in North America, and the benefits of terminating legacy third-party commercial product contracts in Western Europe.

**Operating Expenses**

The discussion below relates to our operating expenses, which equal the sum of our distribution expenses, sales and marketing expenses, administrative expenses and other operating income and expenses (net), for the year ended 31 December 2011 as compared to the year ended 31 December 2010. Our operating expenses do not include exceptional charges, which are reported separately.

Our operating expenses for the year ended 31 December 2011 were USD 9,805 million, representing an increase of USD 824 million, or 9.2% compared to our operating expenses for the same period 2010.

**Distribution expenses**

The following table reflects changes in distribution expenses across our business zones for the year ended 31 December 2011 as compared to the year ended 31 December 2010:

| | Year ended 31 December 2011 | Year ended 31 December 2010 | Change (%)[1] |
|---|---|---|---|
| | *(USD million)* | | |
| North America | (807) | (774) | (4.3) |
| Latin America North | (1,332) | (1,128) | (18.1) |
| Latin America South | (227) | (180) | (26.1) |
| Western Europe | (409) | (393) | (4.1) |
| Central & Eastern Europe | (224) | (191) | (17.3) |
| Asia Pacific | (193) | (140) | (37.9) |
| Global Export & Holding Companies | (120) | (106) | (13.2) |
| **Total** | **(3,313)** | **(2,913)** | **(13.7)** |

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

Our consolidated distribution expenses were USD 3,313 million for the year ended 31 December 2011. This represented an increase of USD 400 million, or 13.7%, as compared to the year ended 31 December 2010. The results for the year ended 31 December 2011 reflect a negative currency translation impact of USD 133 million.

Excluding the effects of the currency translation effects described above, the increase in distribution expenses would have been 9.2%, resulting primarily from Latin America North, as a result of higher transportation costs in Brazil due to the temporary transfer of products between geographies in advance of new capacity coming on stream and a higher mix of direct distribution; Latin America South, due to labor cost increases above inflation; Central & Eastern Europe, led by higher transport tariffs in Russia and Ukraine at the beginning of the year; and Asia Pacific, as a result of higher volumes and fuel costs.

**Sales and marketing expenses**

Marketing expenses include all costs relating to the support and promotion of brands, including operating costs (such as payroll and office costs) of the marketing departments, advertising costs (such as agency costs and media costs), sponsoring and events and surveys and market research. Sales expenses include all costs relating to the selling of products, including operating costs (such as payroll and office costs) of the sales department and sales force.

The following table reflects changes in sales and marketing expenses across our business zones for the year ended 31 December 2011 as compared to the year ended 31 December 2010:

| | Year ended 31 December 2011 | Year ended 31 December 2010 | Change (%)[1] |
|---|---|---|---|
| | *(USD million)* | | |
| North America | (1,640) | (1,565) | (4.8) |
| Latin America North | (1,263) | (1,238) | (2.0) |
| Latin America South | (272) | (228) | (19.3) |
| Western Europe | (760) | (716) | (6.1) |
| Central & Eastern Europe | (420) | (353) | (19.0) |
| Asia Pacific | (588) | (439) | (33.9) |
| Global Export & Holding Companies | (200) | (174) | (14.9) |
| **Total** | **(5,143)** | **(4,712)** | **(9.1)** |

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

Our consolidated sales and marketing expenses were USD 5,143 million for the year ended 31 December 2011. This represented an increase of USD 431 million, or 9.1%, as compared to our sales and marketing expenses for the year ended 31 December 2010. The results for the year ended 31 December 2011 reflect the performance of our business after the completion of certain acquisitions and disposals we undertook in 2010 and 2011 and currency translation effects.

- The 2010 and 2011 acquisitions and disposals described above positively impacted our consolidated sales and marketing expenses by USD 11 million (net) for the year ended 31 December 2011 compared to the year ended 31 December 2010. For further details of these acquisitions and dispositions, see “Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Acquisitions, Divestitures and Other Structural Changes.”

- Our consolidated sales and marketing expenses for the year ended 31 December 2011 also reflect a negative currency translation impact of USD 167 million.

Excluding the effects of the business acquisitions and disposals described above, currency translation and the conversion in 2011 of certain sales expenses into discount programs in Asia Pacific, our overall sales and marketing expenses for the year ended 31 December 2011 would have increased 4.1%, as greater brand investments across our business more than offset savings in non-working money, specifically in North America.

**Administrative expenses**

The following table reflects changes in administrative expenses across our business zones for the year ended 31 December 2011 as compared to the year ended 31 December 2010:

| | Year ended 31 December 2011 | Year ended 31 December 2010 | Change (%)[1] |
|---|---|---|---|
| | *(USD million)* | | |
| North America | (475) | (526) | 9.7 |
| Latin America North | (535) | (518) | (3.3) |
| Latin America South | (85) | (75) | (13.3) |
| Western Europe | (305) | (291) | (4.8) |
| Central & Eastern Europe | (108) | (109) | 0.9 |
| Asia Pacific | (221) | (148) | (49.3) |
| Global Export & Holding Companies | (314) | (292) | (7.5) |
| **Total** | **(2,043)** | **(1,960)** | **(4.3)** |

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

Our consolidated administrative expenses were USD 2,043 million for the year ended 31 December 2011. This represented an increase of USD 83 million, or 4.3%, as compared to our consolidated administrative expenses for the year ended 31 December 2010. The results for the year ended 31 December 2011 reflect the performance of our business after the completion of certain acquisitions and disposals we undertook in 2010 and 2011 and currency translation effects.

- The 2010 and 2011 acquisitions and disposals described above negatively impacted our consolidated administrative expenses by USD 1 million (net) for the year ended 31 December 2011 compared to the year ended 31 December 2010. For further details of these acquisitions and dispositions, see “Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Acquisitions, Divestitures and Other Structural Changes.”
- Our consolidated administrative expenses for the year ended 31 December 2011 also reflect a negative currency translation impact of USD 78 million.

Excluding the effects of the business acquisitions and disposals and the currency translation effects described above, administrative expenses would have increased by 0.2%, as continued fixed cost savings in the United States were offset by expansion costs in Brazil and China and salary increases.

**Other operating income/(expense)**

The following table reflects changes in other operating income and expenses across our business zones for the year ended 31 December 2011 as compared to the year ended 31 December 2010:

| | Year ended 31 December 2011 | Year ended 31 December 2010 | Change (%)[1] |
|---|---|---|---|
| | *(USD million)* | | |
| North America | 54 | 61 | (11.5) |
| Latin America North | 462 | 359 | 28.7 |
| Latin America South | 1 | (8) | (112.5) |
| Western Europe | 37 | 83 | (55.4) |
| Central & Eastern Europe | 2 | 7 | (71.4) |
| Asia Pacific | 90 | 47 | 91.5 |
| Global Export & Holding Companies | 48 | 54 | (11.1) |
| **Total** | **694** | **604** | **14.9** |

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

The net positive effect of our other operating income and expenses for the year ended 31 December 2011 was USD 694 million. This represented an increase of USD 90 million, or 14.9%, compared to the year ended 31 December 2010. The results for the year ended 31 December 2011 reflect the performance of our business after the completion of certain acquisitions and disposals we undertook in 2010 and 2011 and currency translation effects.

- The 2010 and 2011 acquisitions and disposals described above negatively impacted our consolidated other operating income and expenses by USD 7 million (net) for the year ended 31 December 2011 compared to the year ended 31 December 2010. For further details of these acquisitions and dispositions, see "Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Acquisitions, Divestitures and Other Structural Changes."
- Our consolidated other operating income and expenses for the year ended 31 December 2011 also reflect a positive currency translation impact of USD 35 million.

Excluding the effects of these business acquisitions and disposals and the currency translation effects described above, and the effect of the net present value adjustment of long-term fiscal incentives performed in 2010 in Latin America North, other operating income and expenses would have increased 25.5% for the year ended 31 December 2011 as compared to the same period in 2010 due mainly to tax incentives related to our operations in Brazil and China.

**Exceptional Items**

Exceptional items are items which, in our management's judgment, need to be disclosed separately by virtue of their size and incidence in order to obtain a proper understanding of our financial information. We consider these items to be of significance in nature, and accordingly, our management has excluded these items from their segment measures of performance.

For the year ended 31 December 2011, exceptional items consisted of restructuring charges, business and asset disposals, and acquisition costs of business combinations. Exceptional items were as follows for the years ended 31 December 2011 and 2010:

| | Year ended 31 December 2011 | Year ended 31 December 2010 |
|---|---|---|
| | *(USD million)* | |
| Restructuring (including impairment losses) | (351) | (252) |
| Business and asset disposal (including impairment losses) | 78 | (16) |
| Acquisitions costs business combinations | (5) | — |
| **Total** | **(278)** | **(268)** |

***Restructuring***

Exceptional restructuring charges (including impairment losses) amounted to a net cost of USD 351 million for the year ended 31 December 2011 as compared to a net cost of USD 252 million for the year ended 31 December 2010. The 2011 charges are primarily related to organizational alignments and outsourcing activities in Western Europe, North America, China and Latin America South in order to eliminate overlapping or duplicative processes and activities across functions, as well as the closure of a malt plant in the United States.

***Business and asset disposal***

Business and asset disposals (including impairment losses) amounted to a net benefit of USD 78 million for the year ended 31 December 2011 compared to a net cost of USD 16 million for the same period in 2010. USD 45 million represents mainly the net effect of the collection in July 2011 of the deferred consideration related to the disposal of the Central European operations in 2009, USD 21 million was realized on the sale of non-core assets in Brazil and USD 11 million relates to a reversal of exceptional impairment loss on current assets. See "Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Acquisitions, Divestitures and Other Structural Changes."

***Acquisition costs business combinations***

Acquisition costs of USD 5 million for the year ended 31 December 2011 were incurred in connection with the acquisition of Daxue on 28 February 2011, the acquisition of Weixue on 31 May 2011, the acquisition of Goose Island on 1 May 2011 and the acquisition of Premium Beers of Oklahoma distributorship on 30 December 2011.

**Profit from Operations**

The following table reflects changes in profit from operations across our business zones for the year ended 31 December 2011 as compared to the year ended 31 December 2010:

| | Year ended 31 December 2011 | Year ended 31 December 2010 | Change (%)[1] |
|---|---|---|---|
| | *(USD million)* | | |
| North America | 5,521 | 5,309 | 4.0 |
| Latin America North | 5,139 | 4,049 | 26.9 |
| Latin America South | 1,076 | 841 | 27.9 |
| Western Europe | 733 | 683 | 7.3 |
| Central & Eastern Europe | 21 | 118 | (82.2) |
| Asia Pacific | 77 | 88 | (12.5) |
| Global Export & Holding Companies | (238) | (191) | 24.6 |
| **Total** | **12,329** | **10,897** | **13.1** |

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

Our profit from operations increased to USD 12,329 million for the year ended 31 December 2011. This represented an increase of USD 1,432 million, or 13.1%, as compared to our profit from operations for the year ended 31 December 2010.

- The 2010 and 2011 acquisitions and disposals described above positively impacted our consolidated profit from operations by USD 21 million (net) for the year ended 31 December 2011 compared to the year ended 31 December 2010. For further details of these acquisitions and dispositions, see "Item 5. Operating and Financial Review—A. Key Factors Affecting Results of Operations—Acquisitions, Divestitures and Other Structural Changes."
- Our consolidated profit from operations for the year ended 31 December 2011 also reflects a positive currency translation impact of USD 425 million.
- Our profit from operations for the year ended 31 December 2011 was impacted negatively by USD 278 million of certain exceptional items, as compared to a negative impact of USD 268 million for the year ended 31 December 2010. See "—Exceptional Items" above for a description of the exceptional items during the years ended 31 December 2011 and 2010.

See note 5 to our consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012 for additional information on our 2011 profit from operations.

**EBITDA, as defined**

The following table reflects changes in our EBITDA, as defined, for the year ended 31 December 2011 as compared to the year ended 31 December 2010:

| | Year ended 31 December 2011 | Year ended 31 December 2010 | Change (%)[1] |
|---|---|---|---|
| | *(USD million)* | | |
| Profit | 7,959 | 5,762 | 38.1 |
| Net finance cost | 3,137 | 3,736 | 16.0 |
| Income tax expense | 1,856 | 1,920 | 3.3 |
| Share of result of associates | (623) | (521) | 19.6 |
| **Profit from operations** | **12,329** | **10,897** | **13.1** |
| Depreciation, amortization and impairment | 2,783 | 2,788 | 0.2 |
| **EBITDA, as defined** | **15,112** | **13,685** | **10.4** |

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

See "—Year Ended 31 December 2012 Compared to the Year Ended 31 December 2011—EBITDA, as defined" above for more information about our definition of EBITDA, as defined.

Our EBITDA, as defined, increased to USD 15,112 million for the year ended 31 December 2011. This represented an increase of USD 1,427 million, or 10.4%, as compared to our EBITDA, as defined, for the year ended 31 December 2010. The results for the year ended 31 December 2011 reflect the performance of our business after the completion of the acquisitions and disposals we undertook in 2010 and 2011 discussed above and currency translation effects. Furthermore, our EBITDA, as defined, was negatively impacted by USD 245 million (before impairment losses) of certain exceptional items in the year ended 31 December 2011, as compared to a negative impact of USD 185 million (before impairment losses) during the year ended 31 December 2010. See "—Exceptional Items" above for a description of the exceptional items during the years ended 31 December 2011 and 2010.

See note 5 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012 for further performance measures used by our management. Also see note 10 to our audited consolidated financial statement as of 31 December 2012 and 2011, and for the three years ended 31 December 2012 for additional information regarding the allocation of our depreciation, amortization and impairment charges.

***Net Finance Cost***

Our net finance cost items were as follows for the years ended 31 December 2011 and 2010:

| | Year ended 31 December 2011 | Year ended 31 December 2010 | Change (%)[1] |
|---|---|---|---|
| | *(USD million)* | | |
| Net interest expense | (2,333) | (2,714) | 14.0 |
| Accretion expense | (209) | (159) | (31.4) |
| Other financial results | (55) | 62 | (188.7) |
| **Net finance costs before exceptional finance costs** | **(2,597)** | **(2,811)** | **7.6** |
| Mark-to-market adjustment on derivatives | (246) | (733) | 66.4 |
| Accelerated accretion expense | (77) | (192) | 59.9 |
| Other financial results | (217) | — | — |
| **Exceptional finance costs** | **(540)** | **(925)** | **41.6** |
| **Net finance costs** | **(3,137)** | **(3,736)** | **16.0** |

Note:

(1) The percentage change reflects the improvement (or worsening) of results for the period as a result of the change in each item.

Our net finance cost for the year ended 31 December 2011 was USD 3,137 million, as compared to USD 3,736 million for the year ended 31 December 2010, or a decrease of USD 599 million.

Net finance cost for the year ended 31 December 2011 included exceptional finance costs of USD 540 million resulting from incremental accretion expenses of USD 77 million, mark-to-market adjustment on derivatives of USD 246 million, and fair value adjustments of USD 217 million. These expenses are a result of the repayment and refinancing of our 2010 senior bank facilities, as certain interest rate swaps hedging borrowings under our 2010 senior bank facilities became ineffective as a result of the repayment and refinancing of these facilities, the early redemption of USD 1.25 billion notes that occurred in the third quarter of 2011, as well as the early repayment of USD 500 million of debt securities in the last quarter of 2011. While the accretion expense is a non-cash item, the cash equivalent of the negative mark-to-market adjustment will be spread over the period from 2011 to 2014. For the year ended 31 December 2010, exceptional finance costs were USD 925 million.

Excluding these exceptional finance costs, net finance costs decreased by USD 301 million to USD 2,597 million for the year ended 31 December 2011 compared to the same period in 2010. Net interest expenses reached USD 2,333 million for the year ended 31 December 2011 compared to USD 2,714 million for the same period in 2010, mainly as a result of reduced net debt levels. Other financial results for the year ended 31 December 2011 amount to a net cost of USD 55 million primarily due to gains from derivative contracts entered into to hedge risks associated with different share-based payment programs, unfavorable effects arising from intra-group currency translation fluctuations, as well as the payment of bank fees and taxes in the normal course of business.

***Share of result of associates***

Our share of result of associates for the year ended 31 December 2011 was USD 623 million as compared to USD 521 million for the year ended 31 December 2010, attributable to the results of our investment in Grupo Modelo in Mexico.

***Income Tax Expense***

Our total income tax expense for the year ended 31 December 2011 amounted to USD 1,856 million, with an effective tax rate of 20.2% (as compared to 26.8% for the year ended 31 December 2010). The decrease in our effective tax rate for the year ended 31 December 2011 resulted from changes of profit mix between countries with lower marginal tax rates, incremental income tax benefits in Brazil, as well as favorable outcomes on tax claims. Additionally, the effective tax rate for the year ended 31 December 2010 was unfavorably impacted by the non-deductibility of certain exceptional financial charges associated with the refinancing of our 2008 senior facilities. In 2011 and 2010 we recognized the benefit at the Ambev level from the impact of interest on equity payments and tax deductible goodwill resulting from the merger between InBev Holding Brasil S.A. and Ambev in July 2005 and the acquisition of Quinsa in August 2006. See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Ambev Special Goodwill Reserve." The impact of the tax deductible goodwill resulting from the merger between InBev Holding Brasil S.A. and Ambev in July 2005 was to reduce income tax expense for the year ended 31 December 2011 by USD 211 million and the impact of the tax deductible goodwill resulting from the acquisition of Quinsa in August 2006 was to reduce income tax expense for the year end 2011 by USD 65 million. In December 2011, Ambev received a tax assessment related to the goodwill amortization resulting from the merger between InBev Holding Brasil S.A. and Ambev. In the event Ambev is required to pay these amounts, we shall reimburse Ambev the amount proportional to the benefit received by us pursuant to the merger protocol, as well as the respective costs. See "Item 8. Financial Information—A. Consolidated Financial Statements and Other Financial Information—Legal and Arbitration Proceedings—Ambev and its Subsidiaries—Special Goodwill Reserve" for further information.

***Profit Attributable to Non-Controlling Interests***

The profit attributable to non-controlling interests was USD 2,104 million for the year ended 31 December 2011, an increase of USD 368 million from USD 1,736 million for the year ended 31 December 2010, as a result of the strong performance of Ambev as well as currency translation effects.

***Profit Attributable to Our Equity Holders***

Profit attributable to our equity holders for the year ended 31 December 2011 was USD 5,855 million with basic earnings per share of USD 3.67, based on 1,595 million shares outstanding, representing the weighted average number of shares outstanding during the year ended 31 December 2011. Excluding the exceptional items discussed above, profit attributable to our equity holders for the year ended 31 December 2011 would have been USD 6,449 million and basic earnings per share would have been USD 4.04.

## F. IMPACT OF CHANGES IN FOREIGN EXCHANGE RATES

Foreign exchange rates have a significant impact on our consolidated financial statements. The following table sets forth the percentage of our revenue realized by currency for the years ended 31 December 2012, 2011 and 2010:

| | Year ended 31 December, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| U.S. dollar | 38.3% | 37.5% | 40.4% |
| Brazilian real | 27.1% | 28.7% | 26.7% |
| Euro | 7.0% | 7.8% | 7.6% |
| Chinese yuan | 6.7% | 5.9% | 4.8% |
| Canadian dollar | 5.2% | 5.4% | 5.7% |
| Argentinean peso | 4.9% | 4.2% | 3.5% |
| Russian ruble | 3.0% | 3.3% | 3.3% |
| Great Britain pound sterling | 2.2% | 2.5% | 3.4% |

As a result of the fluctuation of foreign exchange rates for the years ended 31 December 2012, 2011 and 2010:

- We recorded a negative translation impact of USD 2,421 million on our 2012 revenue (as compared to a positive impact of USD 1,137 million in 2011 and a positive impact of USD 1,255 million in 2010) and a negative translation impact of USD 1,070 million on our 2012 profit from operations (as compared to a positive impact of USD 401 million in 2011 and a positive impact of USD 579 million in 2010).
- Our 2012 reported profit (after tax) was negatively affected by a USD 950 million translation impact (as compared to a positive translation impact of USD 312 million in 2011 and a positive impact of USD 559 million in 2010), while the negative translation impact on our 2012 earnings per share base (profit attributable to our equity holders) was USD 648 million or USD 0.40 per share (as compared to a positive impact of 200 million or USD 0.13 per share in 2011 and a positive impact of USD 357 million or USD 0.22 per share in 2010).
- Our net debt increased by USD 494 million in 2012 as a result of translation impacts (as compared to a decrease of USD 262 million in 2011 and USD 725 million in 2010).
- Our equity decreased by USD 271 million in 2012 as a result of translation impacts (as compared to a decrease of 1,764 million in 2011 and an increase of USD 939 million in 2010).

## G. LIQUIDITY AND CAPITAL RESOURCES

### General

Our primary sources of cash flow have historically been cash flows from operating activities, the issuance of debt, bank borrowings and the issuance of equity securities. Our material cash requirements have included the following:

- Debt service;
- Capital expenditures;
- Investments in companies participating in the brewing, carbonated soft drinks and malting industries;
- Increases in ownership of our subsidiaries or companies in which we hold equity investments;
- Share buyback programs; and
- Payments of dividends and interest on shareholders' equity.

We are of the opinion that our working capital, as an indicator of our ability to satisfy our short-term liabilities, is, based on our expected cash flow from operations for the coming 12 months, sufficient for the 12 months following the date of this Form 20-F. Over the longer term, we believe that our cash flows from operating activities, available cash and cash equivalents and short-term investments, along with our derivative instruments and our access to borrowing facilities, will be sufficient to fund our capital expenditures, debt service and dividend payments going forward. As part of our cash flow management, we manage capital expenditures by optimizing use of our existing brewery capacity and standardizing operational processes to make our capital investments more efficient. We are also attempting to improve operating cash flow through procurement initiatives designed to leverage economies of scale and improve terms of payment to suppliers.

Equity attributable to our equity holders and non-controlling interests amounted to USD 45.4 billion as of 31 December 2012 (USD 41.0 billion as of 31 December 2011 and USD 38.8 billion as of 31 December 2010) and our net debt amounted to USD 30.1 billion as of 31 December 2012 (USD 34.7 billion as of 31 December 2011 and USD 39.7 billion as of 31 December 2010). Our overriding objectives when managing capital resources are to safeguard the business as a going concern and to optimize our capital structure so as to maximize shareholder value while keeping the desired financial flexibility to execute strategic projects.

To finance the acquisition of Anheuser-Busch in 2008, we entered into a USD 45 billion senior facilities agreement (of which USD 44 billion was ultimately drawn) and a USD 9.8 billion bridge facility agreement, enabling us to consummate the acquisition. During 2008, 2009 and 2010, we fully refinanced and repaid our obligations under these debt facilities by using the proceeds from a rights offering in 2008, cash generated from operating activities, proceeds from the disposal of activities, drawdowns from existing loan facilities, proceeds of capital market offerings and the proceeds from a new senior credit facility entered into in April 2010 (the "**2010 Senior Facilities Agreement**"). The terms of the 2010 Senior Facilities Agreement, as well as its intended use, are described under "Item 10. Additional Information—C. Material Contracts." Over the course of 2010, we made a number of repayments to the 2010 senior facilities. Effective 25 July 2011, we amended the terms of the 2010 Senior Facilities Agreement. The amendment provided for an extension of the USD 8.0 billion five-year revolving credit facility maturing in April 2015 with a revised maturity of July 2016, as well as a reduced margin grid. In connection with the amendment, we fully prepaid and terminated the USD 5.0 billion three-year term facility maturing in April 2013. During 2011, we continued to refinance and repay our obligations under the 2010 senior facilities by using cash generated from operating activities, drawdowns from existing loan facilities and by using the proceeds of capital market offerings. As of 31 December 2012, there were no amounts drawn under the amended USD 8.0 billion multi-currency revolving credit facility. See "Item 5. Operating and Financial Review—H. Contractual Obligations and Contingencies—Contractual Obligations."

In connection with the announcement on 29 June 2012 that we and Grupo Modelo entered into an agreement under which we will acquire the remaining stake in Grupo Modelo that we do not already own, we entered into a USD 14.0 billion long-term bank financing, dated as of 20 June 2012. The new USD 14.0 billion facilities agreement ("**2012 Facilities Agreement**") comprised of "Facility A," a term facility with a maximum maturity of two years from the funding date for up to USD 6.0 billion principal amount and "Facility B," a three-year term facility for up to USD 8.0 billion principal amount bearing interest at a floating rate equal to LIBOR, plus margins. In November 2012, the principal amount of "Facility A" was reduced to USD 5.1 billion, following a voluntary cancellation option under the 2012 Facilities Agreement. Accordingly, as of 31 December 2012, the total principal amount available under the 2012 Facilities Agreements amounted to USD 13.1 billion. The margins on each facility will be determined based on ratings assigned by rating agencies to our long-term debt. For Facility A, the margin ranges between 0.85% per annum and 2.15% per annum. For Facility B, the margin ranges between 1.10% per annum and 2.40% per annum. At our rating as of 31 December 2012, the initial margins would have been 1.00% and 1.25%, respectively. All proceeds from the drawdown under the 2012 Facilities Agreement must be applied, directly or indirectly, towards the acquisition of Grupo Modelo, refinancing of existing indebtedness of Grupo Modelo or any costs in connection therewith. As of 31 December 2012, both facilities remained undrawn. Each facility is available to be drawn until 20 June 2013, subject to an extension up to 20 December 2013 at our option. In the event that we choose to extend the availability period, the tenor of Facility B will be reduced by the length of the period by which the availability period has been extended. Customary commitment fees are payable on any undrawn but available funds under the 2012 Facilities Agreement. These fees are recorded as exceptional finance cost. See "Item 10. Additional Information—C. Material Contracts."

Our ability to manage the maturity profile of our debt and repay our outstanding indebtedness in line with management plans will nevertheless depend upon market conditions. If such uncertain market conditions as experienced in the period between late 2007 and early 2009 and again in 2011 continue in the future, our financing costs could increase beyond what is currently anticipated. Such costs could have a material adverse impact on our cash flows, results of operations or both. In addition, an inability to refinance all or a substantial amount of our debt obligations when they become due would have a material adverse effect on our financial condition and results of operations. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—We may not be able to obtain the necessary funding for our future capital or refinancing needs and we face financial risks due to our level of debt and uncertain market conditions."

Our cash, cash equivalents and short-term investments in debt securities less bank overdrafts as of 31 December 2012 amounted to USD 13,878 million. As of 31 December 2012, we had total liquidity of USD 35,143 million, which consisted of USD 8.0 billion of commitments under the 2010 senior facilities, USD 165 million under short-term credit facilities and USD 13,878 million of cash, cash equivalents and short-term investments in

debt securities less bank overdrafts and USD 13.1 billion of commitments under the USD 14.0 billion 2012 Facilities Agreement. Although we may borrow such amounts to meet our liquidity needs, we principally rely on cash flows from operating activities to fund our continuing operations.

**Cash Flow**

The following table sets forth our consolidated cash flows for the years ended 31 December 2012, 2011 and 2010:

| | Year ended 31 December (audited) | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | | *(USD million)* | |
| Cash flow from operating activities | 13,268 | 12,486 | 9,905 |
| Cash flow from (used in) investing activities | (11,341) | (2,731) | (2,546) |
| Cash flow from (used in) financing activities | 162 | (8,996) | (6,757) |
| **Net increase/(decrease) in cash and cash equivalents** | **2,089** | **759** | **602** |

***Cash flow from operating activities***

Our cash flows from operating activities for the years ended 31 December 2012, 2011 and 2010 were as follows:

| | 2012 | 2011 | 2010 |
|---|---|---|---|
| Profit (including non-controlling interests) | 9,434 | 7,959 | 5,762 |
| Interest, taxes and non-cash items included in profit | 6,294 | 7,420 | 8,503 |
| **Cash flow from operating activities before changes in working capital and provisions** | **15,728** | **15,379** | **14,265** |
| Change in working capital[(1)] | 1,099 | 1,409 | 226 |
| Pension contributions and use of provisions | (621) | (710) | (519) |
| Interest, dividends, and taxes (paid)/received | (2,938) | (3,592) | (4,067) |
| **Cash flow from operating activities** | **13,268** | **12,486** | **9,905** |

Note:

(1) For purposes of the table above, working capital includes inventories, trade and other receivables and trade and other payables, both current and non-current.

Non-cash items included in profit include: depreciation, amortization and impairments, including impairment losses on receivables and inventories; additions and reversals in provisions and employee benefits; losses and gains on sales of property, plant and equipment, intangible assets, subsidiaries and assets held for sale; equity share-based payment expenses; share of result of associates; net finance cost; income tax expense and other non-cash items included in profit. Please refer to our consolidated cash flow statement in our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012 for a more comprehensive overview of our cash flow from operating activities.

Our primary source of cash flow for our ongoing activities and operations is our cash flow from operating activities. For extraordinary transactions (such as the 2008 Anheuser-Busch acquisition), we may, from time to time, also rely on cash flows from other sources. See "—Cash Flow from Investing Activities" and "—Cash Flow from Financing Activities," below.

Net cash from operating activities in 2012 increased by USD 782 million, or 6.3%, from USD 12,486 million in 2011 to USD 13,268 million in 2012. The increase mainly results from higher profits generated in 2012. The working capital improvements reflect primarily the results of on-going payables initiatives. In addition, trade payables increased at year end 2011 and 2012 related to capital expenditures, these payables having on average longer payment terms.

We devote substantial efforts to the efficient use of our working capital, especially those elements of working capital that are perceived as 'core' (including trade receivables, inventories and trade payables). The initiatives to improve our working capital include the implementation of best practices on collection of receivables and inventory management, such as optimizing our inventory levels per stock taking unit, improving the batch sizes in our production process and optimizing the duration of overhauls. Similarly, we aim to efficiently manage our payables by reviewing our standard terms and conditions on payments and resolving, where appropriate, the terms of payment within 120 days upon receipt of invoice. Changes in working capital contributed USD 1,099 million to operational cash flow in 2012. This contribution includes USD 57 million cash outflow from derivatives. Excluding the impact of derivatives, working capital management would have resulted in a positive USD 1,156 million cash impact.

Net cash from operating activities in 2011 increased by USD 2,581 million, or 26.1%, from USD 9,905 million in 2010 to USD 12,486 million in 2011. The increase mainly results from higher profits generated in 2011 and strong contribution from changes in working capital. The working capital improvements reflected primarily the results of ongoing trade payables initiatives. In addition, there was an increase in trade payables related to higher capital expenditures, these payables having, on average, longer payment terms.

***Cash Flow from Investing Activities***

Our cash flows from investing activities for the years ended 31 December 2012, 2011 and 2010 were as follows:

| | Year ended 31 December (audited) | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | | *(USD million)* | |
| Net capital expenditure[1] | (3,089) | (3,256) | (2,123) |
| Acquisition and sale of subsidiaries and associates, net of cash acquired/disposed of[2] | (1,412) | (25) | (28) |
| Proceeds from the sale of / (investment in) short-term debt securities | (6,702) | 529 | (604) |
| Other[2] | (138) | 21 | 209 |
| **Cash flow from (used in) investing activities** | **(11,341)** | **(2,731)** | **(2,546)** |

Notes:

(1) Net capital expenditure consists of acquisitions of plant, property and equipment and of intangible assets, minus proceeds from sale.
(2) Reclassified to conform to the 2012 presentation.

Net cash used in investing activities was USD 11,341 million in 2012 as compared to USD 2,731 million in 2011.

During 2012, we raised USD 7.5 billion in senior unsecured bonds and EUR 2.25 billion (USD 2.97 billion) in euro medium-term notes to support the combination with Grupo Modelo. The excess liquidity resulting from these bonds was mainly invested in short-term debt securities and short-term (less than one year) U.S.Treasury Bills pending the closing of the combination with Grupo Modelo. Such U.S.Treasury Bills are of highly liquid nature. Please refer to notes 17, 21 and 23 of our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012. The increase in net cash used in investing activities is further explained by the acquisition of CND in Dominican Republic in May 2012. Please refer to note 6 of our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012. See "—Borrowings" below for details of long-term debt we entered into during 2012.

Our net capital expenditures amounted to USD 3,089 million in 2012 and USD 3,256 million in 2011. Out of the total capital expenditures of 2012, approximately 56% was used to improve our production facilities while 35% was used for logistics and commercial investments. Approximately 9% was used for improving administrative capabilities and purchase of hardware and software.

Net cash used in investing activities was USD 2,731 million in 2011 as compared to USD 2,546 million in 2010. The increase is due to higher capital expenditures, mainly in Brazil and in China. This increase was partially offset by USD 529 million of proceeds from the sale of short-term Brazilian real denominated government debt securities which we had invested in during 2010.

***Cash Flow from Financing Activities***

Our cash flows from financing activities for the years ended 31 December 2012, 2011 and 2010 were as follows:

| | Year ended 31 December (audited) | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | | *(USD million)* | |
| Dividends paid[(1)] | (3,632) | (3,088) | (1,924) |
| Net (payments on) / proceeds from borrowings | 3,649 | (4,558) | (4,290) |
| Net proceeds from the issue of share capital | 102 | 155 | 215 |
| Other (including net financing costs other than interest) | 43 | (1,505) | (758) |
| **Cash flow from (used in) financing activities** | **162** | **(8,996)** | **(6,757)** |

Note:

(1) Dividends paid in 2012 consisted primarily of USD 2,730 million paid by Anheuser-Busch InBev SA/NV and USD 1,101 million paid by Ambev. Dividends paid in 2011 consisted primarily of USD 1,771 million paid by Anheuser-Busch InBev SA/NV and USD 1,256 million paid by Ambev. Dividends paid in 2010 consisted primarily of USD 826 million paid by Anheuser-Busch InBev SA/NV and USD 1,097 million paid by Ambev.

Cash inflow from financing activities amounted to USD 162 million in 2012, as compared to a cash outflow of USD 8,996 million in 2011. During 2012, in order to pre-fund the combination with Grupo Modelo, we raised funds through a series of bond issuances. The excess liquidity resulting from these bonds was mainly invested in short-term debt securities and short-term (less than one year) U.S.Treasury Bills pending the closing of the combination with Grupo Modelo. Such U.S.Treasury Bills are of highly liquid nature. Please refer to notes 17, 21 and 23 of our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012.

See "—Borrowings" below for details of long-term debt we entered into during 2012.

Cash flows used in financing activities amounted to USD 8,996 million in 2011, as compared to cash used in financing activities for the year ended 31 December 2010 of USD 6,757 million. The 2011 cash flow from financing activities reflected higher dividend payouts as compared to 2010, net repayments from borrowings as well as settlements of derivatives not part of a hedging relationship.

**Transfers from Subsidiaries**

The amount of dividends payable by our operating subsidiaries to us is subject to, among other restrictions, general limitations imposed by the corporate laws, capital transfer restrictions and exchange control restrictions of the respective jurisdictions where those subsidiaries are organized and operate. For example, in Brazil, which accounted for 39.1% of our actual reported profit from operations for the year ended 31 December 2012, current legislation permits the Brazilian government to impose temporary restrictions on remittances of foreign capital abroad in the event of a serious imbalance or an anticipated serious imbalance in Brazil's balance of payments. For approximately six months in 1989 and early 1990, the Brazilian government froze all dividend and capital repatriations held by the Central Bank that were owed to foreign equity investors in order to conserve Brazil's foreign currency reserves.

Dividends paid to us by certain of our subsidiaries are also subject to withholding taxes. Withholding tax, if applicable, generally does not exceed 10%.

Capital transfer restrictions are also common in certain developing countries, and may affect our flexibility in implementing a capital structure we believe to be efficient. For example, China has very specific approval regulations for all capital transfers to or from the country and certain capital transfers to and from Ukraine are subject to obtaining a specific permit.

**Funding Sources**

***Funding Policies***

We aim to secure committed credit lines with financial institutions to cover our liquidity risk on a 12-month and 24-month basis. Liquidity risk is identified using both the budget and strategic planning process input of the group on a consolidated basis. Depending on market circumstances and the availability of local debt capital markets, we may decide, based on liquidity forecasts, to secure funding on a medium- and long-term basis.

We also seek to continuously optimize our capital structure targeting to maximizing shareholder value while keeping desired financial flexibility to execute strategic projects. Our capital structure policy and framework aims to optimize shareholder value through cash flow distribution to us from our subsidiaries, while maintaining an investment-grade rating and minimizing investments with returns below our weighted average cost of capital.

***Cash and Cash Equivalents and Short-Term Investments***

Our cash and cash equivalents and short-term investments less bank overdrafts at each of 31 December 2012, 2011 and 2010 were as follows:

| | Year ended 31 December (audited) | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | | *(USD million)* | |
| Cash and cash equivalents | 7,051 | 5,320 | 4,511 |
| Bank overdrafts | — | (8) | (14) |
| Investment in short-term debt securities | 6,827 | 103 | 641 |
| **Cash and Cash Equivalents and Short-Term Investments** | **13,878** | **5,415** | **5,138** |

***Borrowings***

To finance the Anheuser-Busch acquisition, we entered into the 2008 Senior Facilities Agreement of which USD 44 billion was ultimately drawn. During 2009 and 2010, we refinanced and repaid our obligations under the 2008 Senior Facilities Agreement by using cash generated from operating activities, proceeds from our disposal program, drawdowns from existing loan facilities, proceeds of debt capital market offerings and proceeds from the 2010 Senior Facilities Agreement we entered into on 26 February 2010 (of which USD 10.1 billion was ultimately drawn). The 2010 Senior Facilities Agreement comprised a USD 5.0 billion term loan maturing in 2013 and a USD 8.0 billion multi-currency revolving credit facility maturing in 2015.

Effective 25 July 2011, we amended the terms of the 2010 Senior Facilities Agreement. The amendment provides an extension of the USD 8.0 billion five-year revolving credit facility maturing in April 2015 with a revised maturity of July 2016, as well as a reduced margin grid. In connection with the amendment, we fully prepaid and terminated the USD 5.0 billion three-year term facility maturing in April 2013. The amendment further extends our debt maturities and, as evidenced by the improved margin grid, materializes our enhanced credit profile. The terms of the 2010 Senior Facilities Agreement, its amendments, as well as its intended use, are described under “Item 10. Additional Information—C. Material Contracts.”

In addition, during 2011, we continued to refinance and repay our obligations under the 2010 Senior Facilities Agreement by using cash generated from operations, drawdowns from existing loan facilities and by using the proceeds of debt capital market offerings. As of 31 December 2012, there were no amounts drawn under the amended USD 8.0 billion multi-currency revolving credit facility.

In connection with the announcement on 29 June 2012 that we and Grupo Modelo entered into an agreement under which we plan to acquire the remaining stake in Grupo Modelo that we do not already own, we entered into a USD 14.0 billion long-term bank financing, dated as of 20 June 2012. The new USD 14.0 billion facilities agreement ("**2012 Facilities Agreement**") comprised of "Facility A," a term facility with a maximum maturity of two years from the funding date for up to USD 6.0 billion principal amount, and "Facility B," a three-year term facility for up to USD 8.0 billion principal amount bearing interest at a floating rate equal to LIBOR, plus margins. In November 2012, the principal amount of "Facility A" was reduced to USD 5.1 billion, following a voluntary cancellation option under the 2012 Facilities Agreement. Accordingly, as of 31 December 2012, the total principal amount available under the 2012 Facilities Agreements amounted to USD 13.1 billion. The margins on each facility will be determined based on ratings assigned by rating agencies to our long-term debt. For Facility A, the margin ranges between 0.85% per annum and 2.15% per annum. For Facility B, the margin ranges between 1.10% per annum and 2.40% per annum. At our rating as of 31 December 2012, the initial margins would have been 1.00% and 1.25%, respectively. All proceeds from the drawdown under the 2012 Facilities Agreement must be applied, directly or indirectly, towards the acquisition of Grupo Modelo, refinancing of existing indebtedness of Grupo Modelo or any costs in connection therewith. As of 31 December 2012, both facilities remained undrawn. Each facility is available to be drawn until 20 June 2013, subject to an extension up to 20 December 2013 at our option. In the event that we choose to extend the availability period, the tenor of Facility B will be reduced by the length of the period by which the availability period has been extended. Customary commitment fees are payable on any undrawn but available funds under the 2012 Facilities Agreement. These fees are recorded as exceptional finance cost. See "Item 10. Additional Information—C. Material Contracts."

Furthermore, in 2012 and in 2013 to date, we completed the following debt capital market offerings:

- On 16 July 2012, we issued four series of notes in an aggregate principal amount of USD 7.5 billion, consisting of USD 1.5 billion aggregate principal amount of notes due 2015, bearing interest at a rate of 0.800%; USD 2.0 billion aggregate principal amount of notes due 2017, bearing interest at a rate of 1.375%; USD 3.0 billion aggregate principal amount of notes due 2022, bearing interest at a rate of 2.500%; and USD 1.0 billion aggregate principal amount of notes due 2042, bearing interest at a rate of 3.750%. We used the net proceeds of the offering for general corporate purposes and pre-funding of financing related to the proposed combination with (or acquisition of shares of) Grupo Modelo.
- On 25 July 2012, we issued EUR 750 million aggregate principal amount of notes due 2017, bearing an interest of 1.250%; EUR 750 million aggregate principal amount of notes due 2019, bearing an interest of 2.000%; and EUR 750 million aggregate principal amount of notes due 2024, bearing an interest of 2.875%. The net proceeds of the offering were used for general corporate purposes and pre-funding of financing related to the proposed combination with (or acquisition of shares of) Grupo Modelo.
- On 17 January 2013, we issued USD 4.0 billion aggregate principal amount of notes, consisting of USD 1.0 billion aggregate principal amount of fixed rate notes due 2016, USD 1.0 billion aggregate principal amount of fixed rate notes due 2018, USD 1.25 billion aggregate principal amount of fixed rate notes due 2023 and USD 750 million aggregate principal amount of fixed rate notes due 2043. The notes bear interest at an annual rate of 0.800% for the 2016 notes, 1.250% for the 2018 notes, 2.625% for the 2023 notes and 4.000% for the 2043 notes. The notes will mature on 15 January 2016 in the case of the 2016 notes, on 17 January 2018 in the case of the 2018 notes, on 17 January 2023 in the case of the 2023 notes and 17 January 2043 in the case of the 2043 notes. The net proceeds of the offering were used for general corporate purposes.
- On 23 January 2013, we issued EUR 500 million aggregate principal amount of fixed rate notes due in 2033 and bearing interest at an annual rate of 3.250%. The net proceeds of the offering were used for general corporate purposes.

- On 25 January 2013, we issued a private offering of notes in an aggregate principal amount of CAD 1.2 billion, consisting of CAD 600 million aggregate principal amount of notes with a fixed interest rate of 2.375% per annum and maturity date of 25 January 2018 and CAD 600 million aggregate principal amount of notes with a fixed interest rate of 3.375% per annum and maturity date of 25 January 2023. The notes were offered only to accredited investors resident in Canadian provinces via an Offering Memorandum dated 17 January 2013. The net proceeds of the offering were used for general corporate purposes.

Anheuser-Busch InBev SA/NV guarantees the outstanding capital markets debt previously issued or guaranteed by Anheuser-Busch. As of 31 December 2012, the Anheuser-Busch obligations guaranteed by Anheuser-Busch InBev SA/NV amounted to USD 4.8 billion.

Most of our other interest-bearing loans and borrowings are for general corporate purposes, based upon strategic capital structure concerns, although certain borrowings are incurred to fund significant acquisitions of subsidiaries, such as the borrowings to fund the proposed combination with Grupo Modelo. Although seasonal factors affect the business, they have little effect on our borrowing requirements.

We have a Belgian commercial paper program under which Anheuser-Busch InBev SA/NV and Cobrew NV may issue and have outstanding at any time commercial paper notes up to a maximum aggregate amount of EUR 1.0 billion (USD 1.3 billion) or its equivalent in alternative currencies. The proceeds from the issuance of any such notes may be used for general corporate purposes. The notes may be issued in two tranches: Tranche A has a maturity of not less than seven and not more than 364 days from and including the day of issue; Tranche B has a maturity of not less than one year. As of 31 December 2012, we had borrowed approximately USD 1.1 billion under the program. Our ability to borrow additional amounts under the program is subject to investor demand. If we are ever unable to refinance under this commercial program as it becomes due, we may borrow up to an amount of EUR 125 million (USD 165 million) under a committed special-purpose credit line or access funding through the use of our other committed lines of credit.

In June 2011, we also established a U.S. commercial paper program for an aggregate outstanding amount not exceeding USD 3.0 billion. We use the net proceeds from this program, before expenses, for general corporate purposes. As of 31 December 2012, the total outstanding commercial paper under this program amounted to USD 999 million. If we are ever unable to refinance under this commercial program as it becomes due, we have access to funding through the use of our committed lines of credit.

At the time of the Anheuser-Busch acquisition, the interest rate for an amount of up to USD 34.5 billion had effectively been fixed through a series of hedge arrangements at a weighted average rate of 3.875% per annum (plus applicable fixed spreads) for the period 2009 to 2011 and a portion of the hedging arrangements had been successively extended for an additional two-year period. Following the repayment and refinancing activities performed throughout 2009, 2010 and 2011, we entered into new interest rate swaps to unwind the ones that became freestanding as a result of these repayments. As of 31 December 2012, there are no remaining open positions covering the interest exposure on the outstanding balance drawn under the 2010 senior facilities. As a result of the partial prepayment of amounts drawn under the 2008 and 2010 Senior Facilities Agreement during 2009, 2010 and 2011, we recognized an exceptional finance cost of USD 474 million in 2009, of USD 733 million in 2010 and of USD 235 million in 2011 in hedging losses, as the interest rate swaps hedging the repaid parts of the 2008 and 2010 Senior Facilities Agreements were no longer effective. Please refer to note 28 of our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012, “Item 11. Quantitative and Qualitative Disclosures About Market Risk—Market Risk, Hedging and Financial Instruments.”

Our borrowings are linked to different interest rates, both variable and fixed. As of 31 December 2012, after certain hedging and fair value adjustments, USD 5.7 billion, or 12.9%, of our interest-bearing financial liabilities (which include loans, borrowings and bank overdrafts) bore a variable interest rate, while USD 38.6 billion, or 87.1%, bore a fixed interest rate. Our net debt is denominated in various currencies, though primarily in the U.S. dollar, the euro, the Brazilian real, the pound sterling and the Canadian dollar. Our policy is to proactively address and manage the relationship between our various borrowing currency liabilities and our functional currency cash flows, through long-term or short-term borrowing arrangements, either directly in their functional currencies or indirectly through hedging arrangements.

The currency of borrowing is driven by various factors in the different countries of operation, including a need to hedge against functional currency inflation, currency convertibility constraints, or restrictions imposed by exchange control or other regulations. In accordance with our policy aimed at achieving an optimal balance between cost of funding and volatility of financial results, we seek to proactively address and manage the relationship between borrowing liabilities and functional currency cash flow, and we may enter into certain financial instruments in order to mitigate currency risk. We have also entered into certain financial instruments in order to mitigate interest rate risks. For further details on our approach to hedging foreign currency and interest rate risk, please refer to note 28 of our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012, and "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Market Risk, Hedging and Financial Instruments."

We use a hybrid currency matching model pursuant to which we may (i) match net debt currency exposure to cash flows in such currency, measured on the basis of EBITDA, as defined, adjusted for exceptional items, by swapping a significant portion of U.S. dollar debt to other currencies, such as Brazilian real (with a higher coupon), although this would negatively impact our profit and earnings due to the higher Brazilian real interest coupon, and (ii) use U.S. dollar cash flows to service interest payments under our debt obligations. Please refer to note 28 of our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012, and "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Market Risk, Hedging and Financial Instruments—Foreign Currency Risk" for further details of our hedging arrangements. For our definition of EBITDA, as defined, see "Item 5. Operating and Financial Review—E. Results of Operations—Year Ended 31 December 2012 Compared to the Year Ended 31 December 2011—EBITDA, as defined."

We were in compliance with all our debt covenants as of 31 December 2012. The 2012 and 2010 Senior Facility Agreements do not include restrictive financial covenants. For further details regarding our total current and non-current liabilities, please refer to note 23 of our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012.

The following table sets forth the level of our current and non-current interest-bearing loans and borrowings as of 31 December 2012 and 2011:

| | Year ended 31 December (audited) | |
|---|---|---|
| | 2012 | 2011 |
| | *(USD million)* | |
| Secured bank loans | 151 | 155 |
| Commercial papers | 2,088 | 2,287 |
| Unsecured bank loans | 1,040 | 4,602 |
| Unsecured bond issues | 40,828 | 32,902 |
| Secured other loans | 5 | 6 |
| Unsecured other loans | 88 | 80 |
| Finance lease liabilities | 141 | 125 |
| **Total**[(1)] | **44,341** | **40,157** |

Notes:

(1) Total shown excludes USD 8 million of bank overdrafts in 2011.

The following table sets forth the contractual maturities of our interest-bearing liabilities as of 31 December 2012:

| | Carrying Amount[1] | Less than 1 year | 1 - 2 years | 2 - 3 years | 3 - 5 years | More than 5 years |
|---|---|---|---|---|---|---|
| | | | *(USD million)* | | | |
| Secured bank loans | 151 | 32 | 48 | 23 | 26 | 22 |
| Commercial papers | 2,088 | 2,088 | — | — | — | — |
| Unsecured bank loans | 1,040 | 413 | 264 | 207 | 150 | 6 |
| Unsecured bond issues | 40,828 | 2,840 | 5,318 | 4,679 | 6,879 | 21,112 |
| Secured other loans | 5 | 5 | — | — | — | — |
| Unsecured other loans | 88 | 9 | 12 | 12 | 11 | 44 |
| Finance lease liabilities | 141 | 3 | 3 | 4 | 9 | 122 |
| **Total** | **44,341** | **5,390** | **5,645** | **4,925** | **7,075** | **21,306** |

Notes:

(1) "Carrying Amounts" refers to net book value as recognized on the balance sheet at 31 December 2012.

Please refer to note 28 of our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012 for a description of the currencies of our financial liabilities and a description of the financial instruments we use to hedge our liabilities.

**Credit Rating**

As of 31 December 2012, our credit rating from Standard & Poor's is A for long-term obligations and A-1 for short-term obligations, with a stable outlook, and our credit rating from Moody's Investors Service is A3 for long-term obligations and P-2 for short-term obligations, with a positive outlook. Credit ratings may be changed, suspended or withdrawn at any time and are not a recommendation to buy, hold or sell any of our or our subsidiaries' securities. Any change in our credit ratings could have a significant impact on the cost of debt capital to us and/or our ability to raise capital in the debt markets.

**Capital Expenditures**

We spent USD 3,092 million during 2012 on acquiring capital assets (net of proceeds from the sale of property, plant, equipment and intangible assets). The decrease compared to 2011 was primarily related to currency devaluation in Brazil, translating into lower investments in U.S. dollars. Out of the total capital expenditures of 2012 approximately 56% was used to improve our production facilities, while 35% was used for logistics and commercial investments. Approximately 9% was used for improving administrative capabilities and purchase of hardware and software. Our capital expenditures are primarily funded through cash from operating activities.

We spent USD 3,256 million during 2011 on acquiring capital assets (net of proceeds from the sale of property, plant, equipment and intangible assets). The increase in comparison with 2010 primarily relates to investments in capacity expansion in Brazil and China in order to meet demand in these growth markets. Of our total capital expenditures in 2011, approximately 57% was used to improve our production facilities while 33% was used for logistics and commercial investments. Approximately 10% was used for improving administrative capabilities and purchase of hardware and software.

We spent USD 2,123 million in 2010 on acquiring capital assets. Of this amount, approximately 53% was used to improve our production facilities, while 38% was used for logistics and commercial investments. Approximately 9% was used for improving administrative capabilities and purchase of hardware and software.

**Research and Development**

In 2012, we spent USD 182 million (USD 175 million in 2011 and USD 184 million in 2010) on research and development at our Belgian R&D center and across our zones. Part of this was spent in the area of market

research, but the majority is related to innovation in the areas of process optimization and product development. For further information, see "Item 4. Information on the Company—B. Business Overview—10. Intellectual Property; Research and Development—Research and Development."

**Investments and Disposals**

On 11 May 2012, we announced that Ambev and E. León Jimenes S.A. ("**ELJ**"), which owned 83.5% of CND, entered into a transaction to form a strategic alliance to create the leading beverage company in the Caribbean through the combination of their businesses in the region. Ambev's initial indirect interest in CND was acquired through a cash payment of USD 1.0 billion and the contribution of Ambev Dominicana. Separately, Ambev Brazil acquired an additional stake in CND of 9.3%, which was owned by Heineken N.V., for USD 237 million at the closing date. During the second half of 2012, as part of the same transaction, Ambev acquired an additional 0.99% stake from other minority holders, through a cash payment of USD 36 million. As of 31 December 2012, Ambev owned a total indirect interest of 52.0% in CND.

We entered into an agreement with the Dragon Group on 21 September 2012 to acquire its stake in Keytop group for an aggregate purchase price anticipated to be approximately USD 400 million. The Keytop group owns majority participations in four breweries located in the Jiangxi, Henan and Shandong provinces in China. This acquisition is expected to support our growth strategy in China through the addition of approximately nine million hectoliters in total production capacity, and the closing of the acquisition is subject to regulatory approvals and customary closing conditions.

On 29 June 2012, we announced an agreement with Grupo Modelo agreeing to acquire the remaining stake in Grupo Modelo that we do not already own for USD 9.15 per share in cash in a transaction valued at USD 20.1 billion. In a related transaction, Constellation agreed to purchase Grupo Modelo's 50% stake in Crown Imports, the joint venture that imports and markets Grupo Modelo's brands in the United States, for USD 1.85 billion, giving Constellation 100% ownership and control of Crown Imports.

The combination of us and Grupo Modelo is expected to be completed through a series of steps that will simplify Grupo Modelo's corporate structure, followed by an all-cash tender offer by us for all outstanding Grupo Modelo shares that we will not own at that time. Following the combination, two Grupo Modelo board members will join our Board of Directors, and they have committed, only if they tender their shares, to invest an aggregate amount of USD 1.5 billion of their proceeds from the tender offer into our shares to be delivered within five years via a deferred share instrument. Such investment will happen at the share price of USD 65.

Completion of the combination with Grupo Modelo has been conditioned upon, among other things, antitrust approval from U.S. and Mexican authorities. We have received approval from Mexican authorities.

In January 2013, the DOJ brought a lawsuit seeking to block the proposed combination between us and Grupo Modelo.

In February 2013, we announced a revised agreement with Constellation valued at USD 2.9 billion under which Constellation would acquire Grupo Modelo's Piedras Negras brewery in Mexico, and Crown Imports will be granted a perpetual and exclusive license for the Modelo brands produced in Mexico and distributed by Crown Imports in the United States. As previously announced, Constellation would also acquire Grupo Modelo's 50% stake in Crown Imports for USD 1.85 billion. The terms of our combination with Grupo Modelo, announced in June 2012, are unchanged. Completion of the sale of Piedras Negras has been conditioned upon, among other things, any antitrust clearance from U.S. and Mexican authorities that may be required.

We, Grupo Modelo, Constellation and Crown Imports are engaged in discussions with the DOJ seeking to resolve the DOJ's litigation challenging the combination with Grupo Modelo. In connection with such discussions, the parties and the DOJ jointly approached the court to request a stay of all litigation proceedings until 9 April 2013, and the court approved the request. There can be no assurance that the discussions will be successful.

The acquisitions or disposals we undertook in 2011 and 2010 did not result in our liquidity increasing or decreasing in a material way.

**Net Debt and Equity**

We define net debt as non-current and current interest-bearing loans and borrowings and bank overdrafts minus debt securities and cash. Net debt is a financial performance indicator that is used by our management to highlight changes in our overall liquidity position. We believe that net debt is meaningful for investors as it is one of the primary measures our management uses when evaluating our progress towards deleveraging.

The following table provides a reconciliation of our net debt to the sum of current and non-current interest bearing loans and borrowings as of the dates indicated:

| | 31 December (audited) | |
|---|---|---|
| | 2012 | 2011 |
| | *(USD million)* | |
| Non-current interest bearing loans and borrowings | 38,951 | 34,598 |
| Current interest bearing loans and borrowings | 5,390 | 5,559 |
| **Total** | **44,341** | **40,157** |
| Bank overdrafts | — | 8 |
| Cash and cash equivalents | (7,051) | (5,320) |
| Interest-bearing loans granted (included within Trade and other receivables) | (324) | (30) |
| Debt securities (included within Investment securities) [(1)] | (6,852) | (127) |
| **Total net debt** | **30,114** | **34,688** |

Note:

(1) See note 23 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012.

Net debt as of 31 December 2012 was USD 30.1 billion, a reduction of USD 4.6 billion as compared to 31 December 2011. Apart from operating results net of capital expenditures, our net debt was mainly impacted by dividend payments to our shareholders and to Ambev shareholders totaling USD 3,632 million; the payment of interest and taxes, amounting to USD 3,658 million; the payment associated with the strategic alliance with CND, amounting to USD 1,298 million; and the impact of changes in foreign exchange rates, resulting in a USD 494 million increase in net debt.

Net debt as of 31 December 2011 was USD 34.7 billion, a reduction of USD 5.0 billion as compared to 31 December 2010, driven by strong cash flow generation. Apart from operating results net of capital expenditures, our net debt was mainly impacted by dividend payments to our shareholders and to Ambev shareholders totaling USD 3,088 million; the payment of interest and taxes, amounting to USD 3,998 million; and the impact of changes in foreign exchange rates, resulting in a USD 262 million decrease in net debt.

Consolidated equity attributable to our equity holders as of 31 December 2012 was USD 41,142 million, compared to USD 37,492 million at the end of 2011. The combined effect of the weakening of mainly the closing rates of the Brazilian real and the Argentinean peso and the strengthening of mainly the closing rates of the euro, the pound sterling, the Mexican peso, the Russian ruble and the Chinese yuan resulted in a negative foreign exchange translation adjustment of USD 271 million.

Consolidated equity attributable to our equity holders as of 31 December 2011 was USD 37,492 million, compared to USD 35,259 million at the end of 2010. The combined effect of the strengthening of mainly the closing rates of the Chinese yuan, and the weakening of mainly the closing rates of the Argentinean peso, the Brazilian real, the Canadian dollar, the euro, the Mexican peso, the pound sterling, the Russian ruble, and the Ukrainian hryvnia, resulted in a negative foreign exchange translation adjustment of USD 1,764 million.

Further details on equity movements can be found in our consolidated statement of changes in equity to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended, 31 December 2012.

See "—Borrowings" above for details of long-term debt we entered into during 2012.

## H. CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

### Contractual Obligations

The following table reflects certain of our contractual obligations, and the effect such obligations are expected to have on our liquidity and cash flows in future periods, as of 31 December 2012:

| | | | Payment Due By Period | | | |
|---|---|---|---|---|---|---|
| **Contractual Obligations** | **Contractual cash flows[2]** | **Less than 1 year** | **1-2 years** | **2-3 years** | **3-5 years** | **More than 5 years** |
| | | | *(USD million)* | | | |
| Secured bank loans | 161 | 35 | 50 | 25 | 28 | 23 |
| Commercial papers | 2,092 | 2,092 | — | — | — | — |
| Unsecured bank loans | 1,309 | 487 | 366 | 267 | 180 | 9 |
| Unsecured bond issues | 60,030 | 4,470 | 7,117 | 6,336 | 9,721 | 32,386 |
| Secured other loans | 6 | 6 | — | — | — | — |
| Unsecured other loans | 139 | 9 | 17 | 17 | 15 | 81 |
| Finance lease liabilities | 274 | 14 | 14 | 15 | 29 | 202 |
| Operating lease liabilities | 1,312 | 108 | 96 | 88 | 141 | 879 |
| Purchase commitments | 14,264 | 4,678 | 2,921 | 2,173 | 3,030 | 1,462 |
| Trade and other payables | 15,441 | 13,287 | 146 | 144 | 222 | 1,642 |
| **Total[1]** | **95,028** | **25,186** | **10,727** | **9,065** | **13,366** | **36,684** |

Notes:

(1) "Total" amounts refer to non-derivative financial liabilities including interest payments.
(2) The loan and bond issue contractual cash flow amounts presented above differ from the carrying amounts for these items in our financial statements in that they include our best estimates of future interest payable (not yet accrued) in order to better reflect our future cash flow position.

Please refer to "—Item G. Liquidity and Capital Resources—Funding Sources—Borrowings" for further information regarding our short-term borrowings and long-term debt.

Please refer to note 28 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012, and in particular to the discussions therein on "Liquidity Risk," for more information regarding the maturity of our contractual obligations, including interest payments and derivative financial assets and liabilities.

Please refer to note 29 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012 for more information regarding our operating lease obligations.

Information regarding our pension commitments and funding arrangements is described in our Significant Accounting Policies and in note 24 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012. The level of contributions to funded pension plans is determined according to the relevant legislation in each jurisdiction in which we operate. In some countries there are statutory minimum funding requirements while in others we have developed our own policies, sometimes in agreement with the local trustee bodies. The size and timing of contributions will usually depend upon the performance of investment markets. Depending on the country and plan in question, the funding level will be

monitored periodically and the contribution amount amended appropriately. Consequently, it is not possible to predict with any certainty the amounts that might become payable from 2013 onwards. In 2012, our employer contributions to defined benefit and defined contribution pension plans amounted to USD 457 million. Contributions to defined benefit pension plans for 2013 are estimated to be approximately USD 270 million for our funded defined benefit plans, and USD 84 million in benefit payments to our unfunded defined benefit plans and post-retirement medical plans. Please refer to note 24 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012 for further information on our employee benefit obligations.

**Collateral and Contractual Commitments**

The following table reflects our collateral and contractual commitments for the acquisition of property, plant and equipment, loans to customers and other commitments, as of 31 December 2012 and 2011:

| | Year ended 31 December (audited) | |
|---|---|---|
| | 2012 | 2011 |
| | *(USD million)* | |
| Collateral given for own liabilities | 628 | 540 |
| Collateral and financial guarantees received for own receivables and loans to customers | 36 | 34 |
| Contractual commitments to purchase property, plant and equipment | 415 | 689 |
| Contractual commitments to acquire loans to customers | 23 | 40 |
| Other commitments | 867 | 782 |

**Contingencies**

We are subject to various contingencies with respect to tax, labor, distributors and other claims. Due to their nature, such legal proceedings and tax matters involve inherent uncertainties including, but not limited to, court rulings, negotiations between affected parties and governmental actions. To the extent that we believe these contingencies will probably be realized, a provision has been recorded in our balance sheet.

To the extent that we believe that the realization of a contingency is possible (but not probable) and is above certain materiality thresholds, we have disclosed those items in note 31 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012.

## I. OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have, or are reasonably likely to have, a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors. Please refer to "—H. Contractual Obligations and Contingencies—Collateral and Contractual Commitments" for a description of certain collateral and contractual commitments to which we are subject.

## J. OUTLOOK AND TREND INFORMATION

In terms of the volume outlook for 2013, we will continue to pursue our Focus Brands and premiumization strategy in the United States, supported by a healthy innovation pipeline and a strong sales execution plan. We expect volumes in the United States to be impacted in the first quarter due to short-term pressure on consumer disposable income and a tough weather comparable. We expect our beer volumes in Brazil to grow by low to mid single digits in the full year, with softness in the first quarter due to the earlier timing of Carnival compared to 2012, and wet weather. We expect a return to solid industry volume growth in China in 2013, with our own volumes in the first quarter showing a good recovery from the fourth quarter 2012.

We expect revenue per hectoliter to grow organically ahead of inflation, weighted by country, as a result of continued improvement in mix and revenue management initiatives.

We expect the cost of sales per hectoliter to increase organically by mid single digits in 2013, with global commodity cost increases and an unfavorable foreign exchange transactional impact (primarily BRL/USD), being partly mitigated by procurement savings and efficiency gains.

We expect distribution expenses per hectoliter to increase organically by mid single digits.

We will continue to drive top-line performance by investing in our brands, and, therefore, sales and marketing investments are expected to grow by high single digits.

We expect the average coupon on net debt to be in the range of 4.8% to 5.3%, provided that the combination with Grupo Modelo closes in the first half of 2013. The average coupon is expected to decline by 50 bps as from 2014 given the absence of the negative cash carry linked to the delay in the closing of the combination. Net pension interest expense (as a result of the revised IAS 19 standard) and accretion expenses, are expected to be approximately USD 40 and USD 75 million per quarter, respectively.

Our expectation for net capital expenditure in 2013 is approximately USD 3.7 billion, with the increase over 2012 being driven by investments in capacity expansion in Brazil and China in addition to commercial capital expenditure linked to our strong innovation pipeline and market programs.

After the completion of the combination with Grupo Modelo, we expect the ratio of net debt to EBITDA, as defined (adjusted for exceptional items) to reach below 2.0x during the course of 2014. Approximately one-third of our gross debt is denominated in currencies other than the U.S. dollar, principally the euro.

## ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### A. DIRECTORS AND SENIOR MANAGEMENT

#### Administrative, Management, Supervisory Bodies and Senior Management Structure

Our management structure is a "one-tier" governance structure composed of our Board, a Chief Executive Officer responsible for our day-to-day management and an executive board of management chaired by our Chief Executive Officer. Since 1 January 2011, our Board is assisted by four main committees: the Audit Committee, the Finance Committee, the Remuneration Committee and the Nomination Committee. See "Item 6. Directors, Senior Management and Employees—C. Board Practices—Information about Our Committees."

#### Board of Directors

***Role and Responsibilities, Composition, Structure and Organization***

The role and responsibilities of our Board, its composition, structure and organization are described in detail in our corporate governance charter ("**Corporate Governance Charter**"), which is available on our website: http://www.ab-inbev.com/go/corporate_governance/corporate_governance_charter.

Our Board may be composed of a maximum of 14 members. There are currently 11 directors, all of whom are non-executives. Immediately after the annual shareholders meeting of 25 April 2012, the mandate of Peter Harf came to an end. Mr. Harf was succeeded as Chairman of the Board by Kees Storm, whose mandate will come to an end at the annual shareholders meeting to be held on 24 April 2013. The renewal of Mr. Storm's mandate for an additional period of one year will be submitted to the shareholders for approval at the annual shareholders meeting on 24 April 2013.

Pursuant to a shareholders' agreement in which certain of our key shareholders agree to hold certain of their interests in us through Stichting Anheuser-Busch InBev, a foundation organized under the laws of the Netherlands (the "**Stichting**"), the holder of the class A Stichting certificates and the holder of the class B Stichting certificates each have the right to nominate four of our directors (see "Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders"). The Stichting board of directors (which consists of eight directors, four of whom are appointed by the holder of the class A certificates, and four of whom are appointed by the holder of the class B certificates) may nominate four to six directors to our Board who are independent of shareholders, based on recommendations of our Nomination Committee.

As a consequence, our Board is currently composed of four members nominated by Eugénie Patri Sébastien S.A. (which represents Interbrew's founding Belgian families and holds the class A Stichting certificates), four members nominated by BRC S.à.R.L. (which represents the Brazilian families that were previously the controlling shareholders of Ambev and holds the class B Stichting certificates) and three independent directors. The independent directors are recommended by our Nomination Committee, nominated by the Stichting board and subsequently elected at our shareholders' meeting (at which the Stichting, together with its related parties, has the majority of the votes). Our Board was enlarged to 13 members through the addition of the former Anheuser-Busch President and Chief Executive Officer, August A. Busch IV, on 29 September 2008. The term of August Busch IV came to an end at the annual shareholders meeting of 26 April 2011. At the annual shareholders meeting of 25 April 2012, the mandate of Peter Harf came to an end. As a consequence, since 25 April 2012, the Board is composed of 11 directors, three of whom are independent directors. Directors are appointed for a maximum term of four years. The upper age limit for the directors is 70, although exceptions can be made in special circumstances.

Independent directors on our Board are required to meet the following requirements of independence pursuant to our current Corporate Governance Charter. Such requirements are derived from but not fully identical to the requirements of Belgian company law (when legally required, we shall apply the criteria of independence provided by Belgian company law). Based on the provisions of the new Belgian Corporate Governance Code of March 2009 and the Belgian Company Code, the requirements of independence contained in our Corporate Governance Charter are the following:

- the director is not an executive or managing director of us or an associated company, and has not been in such a position for the previous five years;

- the director has not served for more than three successive terms as a non-executive director on our board, or for a total term of more than 12 years;
- the director is not an employee of us or an associated company and has not been in such a position for the previous three years;
- the director does not receive significant additional remuneration or benefits from us or an associated company apart from a fee received as non-executive director;
- the director is not the representative of a controlling shareholder or a shareholder with a shareholding of more than 10%, or a director or executive officer of such a shareholder;
- the director does not have or has not had within the financial reported year, a significant business relationship with us or an associated company, either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship;
- the director is not or has not been within the last three years, a partner or an employee of our external auditor or the external auditor of an associated company; and
- the director is not a close family member of an executive or managing director or of persons in the situations described above.

When an independent director has served on the Board for three terms, any proposal to renew his mandate as independent director must expressly indicate why the Board considers that his independence as a director is preserved.

Independent directors on our Board who serve on our Audit Committee are also required to meet the criteria for independence set forth in Rule 10A-3 under the Exchange Act of 1934.

The appointment and renewal of all of our directors is based on a recommendation of the Nomination Committee, and is subject to approval by our shareholders' meeting.

Our Board is our ultimate decision-making body, except for the powers reserved to our shareholders' meeting by law, or as specified in the articles of association.

Our Board meets as frequently as our interests require. In addition, special meetings of our Board may be called and held at any time upon the call of either the chairman of our Board or at least two directors. Board meetings are based on a detailed agenda specifying the topics for decision and those for information. Board decisions are made by a simple majority of the votes cast.

The composition of our Board is currently as follows:

| Name | Principal function | Nature of directorship | Initially appointed | Term expires |
|---|---|---|---|---|
| Paul Cornet de Ways Ruart | Director | Non-executive, nominated by the holders of class A Stichting certificates | 2011 | 2015 |
| Stéfan Descheemaeker | Director | Non-executive, nominated by the holders of class A Stichting certificates | 2008 | 2015 |
| Olivier Goudet | Independent director | Non-executive | 2011 | 2015 |
| Jorge Paulo Lemann | Director | Non-executive, nominated by the holders of class B Stichting certificates | 2004 | 2014 |
| Grégoire de Spoelberch | Director | Non-executive, nominated by the holders of class A Stichting certificates | 2007 | 2014 |
| Kees Storm | Independent director | Non-executive | 2002 | 2013 |
| Marcel Herrmann Telles | Director | Non-executive, nominated by the holders of class B Stichting certificates | 2004 | 2014 |
| Roberto Moses Thompson Motta | Director | Non-executive, nominated by the holders of class B Stichting certificates | 2004 | 2014 |
| Alexandre Van Damme | Director | Non-executive, nominated by the holders of class A Stichting certificates | 1992 | 2014 |
| Carlos Alberto Sicupira | Director | Non-executive, nominated by the holders of class B Stichting certificates | 2004 | 2014 |
| Mark Winkelman | Independent director | Non-executive | 2004 | 2014 |

Immediately after the annual shareholders meeting on 25 April 2012, the mandate of Peter Harf came to an end. Kees Storm replaced him as Chairman of our Board. Mr. Storm's mandate will come to an end at the annual shareholders meeting to be held on

24 April 2013. The renewal of Mr. Storm's mandate for an additional period of one year will be submitted to the shareholders for approval at the annual shareholders meeting to be held on 24 April 2013.

The business address for all of our directors is: Brouwerijplein 1, 3000 Leuven, Belgium.

**Mr. Cornet de Ways Ruart** is a representative of the main shareholders (nominated by Eugénie Patri Sébastien S.A., the holder of the class A Stichting certificates). Born in 1968, he is a Belgian citizen and holds a

Master's Degree as a Commercial Engineer from the Catholic University of Louvain and an MBA from the University of Chicago. From 2006 to 2011, he worked at Yahoo! and was in charge of Corporate Development for Europe before taking on additional responsibilities as Senior Financial Director for Audience and Chief of Staff. Prior to joining Yahoo!, Mr. Cornet was Director of Strategy for Orange UK and spent seven years with McKinsey & Company in London and Palo Alto, California. He is also a member of the Board of Directors of EPS, Rayvax, Adrien Invest, Floridienne S.A. and several privately held companies.

**Mr. Descheemaeker** is a representative of the main shareholders (nominated by Eugénie Patri Sébastien S.A., the holder of the class A Stichting certificates). Born in 1960, he is a Belgian citizen and holds a Master's Degree in Commercial Engineering from Solvay Business School. He began his professional career with the Belgian Ministry of Finance and then worked in an investment group until 1996, when he joined Interbrew as head of Strategy & External Growth, managing its M&A activities, culminating with the combination of Interbrew and Ambev. In 2004, he transitioned to operational management, in charge of Interbrew's operations in the United States and Mexico, and then as InBev's Zone President Central and Eastern Europe, and, eventually, Western Europe. In 2008, Mr. Descheemaeker ended his operational responsibilities at Anheuser-Busch InBev and joined our Board as a non-executive Director. He was appointed Chief Financial Officer of Delhaize Group in January 2009 and appointed Chief Executive Officer of Delhaize Europe in January 2012. He is also a member of the Universite Libre de Bruxelles (ULB) Foundation.

**Mr. Goudet** is an independent Board member. Born in 1964, he is a French citizen, holds a Degree in Engineering from l'Ecole Centrale de Paris and graduated from the ESSEC Business School in Paris with a major in Finance. Mr. Goudet started his professional career in 1990 at Mars, Inc., serving on the finance team of the French business. After six years, he left Mars to join the VALEO Group, where he held several senior executive positions. In 1998, Mr. Goudet returned to Mars, where he became Chief Financial Officer in 2004. In 2008, his role was broadened and he was appointed Executive Vice President and Chief Financial Officer. In June 2012, he became an Advisor to the Board of Mars, Inc. Mr. Goudet is currently Partner and Chief Executive Officer of Joh. A. Benckiser (JAB), which is a privately held group focused on long-term investments in companies with premium brands in the fast-moving consumer goods category. The JAB group's portfolio includes a majority stake in Coty Inc., a global leader in beauty products, a majority stake in Peet's Coffee & Tea Inc., a premier specialty coffee and tea company, a minority stake in Reckitt Benckiser Group PLC, a global leader in health, hygiene and home products and a minority investment in D.E Master Blenders 1753 N.V., an international coffee and tea company. JAB group also owns Labelux, a luxury leather goods company with brands such as Jimmy Choo, Bally and Belstaff.

**Mr. Lemann** is a representative of the main shareholders (nominated by BRC S.à.R.L., the holder of the class B Stichting certificates). Born in Brazil in 1939, he received a Bachelor's Degree from Harvard University in 1961. Mr. Lemann founded and was senior partner of Banco de Investimentos Garantia S.A. in Brazil from 1971 through June 1998, when it was sold to Credit Suisse First Boston. Until early 2005, he was a Director of The Gillette Company in Boston, Swiss Re in Zurich and of Lojas Americanas in São Paulo. He was also Chairman of the Latin American Advisory Committee of the NYSE. He is a co-founder and Board member of Fundação Estudar, a non-profit organization that provides scholarships for Brazilians, and Endeavor, an international non-profit organization that supports entrepreneurs in emerging markets. He has also supported educational institutions including Harvard and the University of Illinois with leadership and endowment gifts over the years.

**Mr. de Spoelberch** is a representative of the main shareholders (nominated by Eugénie Patri Sébastien S.A., the holder of the class A Stichting certificates). Born in 1966, he is a Belgian citizen and holds an MBA from INSEAD. Mr. de Spoelberch is an active private equity shareholder and his recent activities include shared Chief Executive Officer responsibilities for Lunch Garden, the leading Belgian self-service restaurant chain. He is a member of the board of several family-owned companies, such as Eugénie Patri Sébastien S.A., Verlinvest and Cobehold (Cobepa). He is also an administrator of the InBev Baillet-Latour Fund, a foundation that encourages social, cultural, artistic, technical, sporting, educational and philanthropic achievements.

**Mr. Storm** is an independent Board member and Chairman of our Board of Directors. Born in 1942, he is a Dutch citizen and received an MA in Business Economics from the University of Rotterdam in 1969. His first role after graduating was as an assistant accountant at Moret & Limperg. After six successful years there, he was appointed to the Executive Board of Kon Scholten-Honig in 1976. He was then a member of the Executive Board of

AEGON, the life insurance group, where he subsequently took responsibility for regions including the USA, the Netherlands and Europe, becoming Chairman of the Executive Board in 1993 until his retirement in 2002. He is currently Chairman of the Supervisory Board of KLM, the airline carrier of the Netherlands, Vice Chairman of the Supervisory Board of PON Holdings, a member of the Supervisory Board of AEGON and a member of the Board of Directors of Baxter International (including member of the audit committee) and Unilever (Vice Chairman and Senior Independent Director). His interest in improving healthcare has also led him to active involvement with the Amsterdam Cancer Center and the Health Insurance Fund for Africa.

**Mr. Telles** is a representative of the main shareholders (nominated by BRC S.à.R.L., the holder of the class B Stichting certificates). Born in 1950, he is a Brazilian citizen and holds a Degree in Economics from Universidade Federal do Rio de Janeiro and attended the Owners/Presidents Management Program at Harvard Business School. He was Chief Executive Officer of Brahma and Ambev and has been a member of the Board of Directors of Ambev since 2000. He is also a member of the Board of Directors of Burger King Worldwide Holdings; a member of the Advisory Board of Itau/Unibanco; a member of the Harvard Business School's Board of Dean's Advisors; co-founder and Board member of Fundação Estudar, a non-profit organization that provides scholarships for Brazilians; and a founder and Chairman of Ismart, a non-profit organization that provides scholarships to low-income students.

**Mr. Thompson Motta** is a representative of the main shareholders (nominated by BRC S.à.R.L., the holder of the class B Stichting certificates). Born in 1957, he is a Brazilian citizen and holds a Degree in Mechanical Engineering from Pontificia Universidade Católica do Rio de Janeiro and an MBA from the Wharton School of the University of Pennsylvania. From 1993 to 2004, he was a managing partner of GP Investimentos, the largest private equity group in Brazil, and a Board member until 2010. Mr. Thompson Motta is also a Board member of Ambev S.A., Lojas Americanas; and São Carlos Empreendimentos e Participações S.A.

**Mr. Van Damme** is a representative of the main shareholders (nominated by Eugénie Patri Sébastien S.A., the holder of the class A Stichting certificates). Born in 1962, he is a Belgian citizen and graduated from Solvay Business School, Brussels. Mr. Van Damme joined the beer industry early in his career and held various operational positions within Interbrew until 1991, including Head of Corporate Planning and Strategy. He has managed several private venture holding companies and is currently a director of Patri S.A. (Luxembourg) and of Burger King Worldwide Holdings. He is also an administrator of the InBev Baillet-Latour Fund, a foundation that encourages social, cultural, artistic, technical, sporting, educational and philanthropic achievements.

**Mr. Sicupira** is a representative of the main shareholders (nominated by BRC S.à.R.L., the holder of the class B Stichting certificates). Born in 1948, he is a Brazilian citizen and received a Bachelor of Business Administration from Universidade Federal do Rio de Janeiro and attended the Owners/Presidents Management Program at Harvard Business School. He has been Chairman of Lojas Americanas since 1981, where he also served as Chief Executive Officer until 1992. He is a member of the Board of Directors of Burger King Worldwide Holdings; the Harvard Business School's Board of Dean's Advisors; and a co-founder and Board member of Fundação Estudar, a non-profit organization that provides scholarships for Brazilians.

**Mr. Winkelman** is an independent Board member. Born in 1946, he is a citizen of the Netherlands and holds a Degree in Economics from the Erasmus University in Rotterdam, and an MBA from the Wharton School at the University of Pennsylvania, where he is a trustee and chairman of the Penn Medicine Board. He served as a Management Committee member of Goldman, Sachs & Co. from 1988 to 1994, where he is now a Senior Director. Before joining Goldman, Sachs & Co. in 1978, he served at the World Bank for four years as a senior investment officer.

***General Information on the Directors***

In relation to each of the members of our Board, we are not aware of (i) any convictions in relation to fraudulent offenses in the last five years, (ii) any bankruptcies, receiverships or liquidations of any entities in which such members held any offices, directorships, or partner or senior management positions in the last five years, or (iii) any official public incrimination and/or sanction of such members by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

No member of our Board has a family relationship with any other member of our Board or any member of our executive board of management.

Over the five years preceding the date of this Form 20-F, the members of our Board hold or have held the following main directorships (apart from directorships they have held with us and our subsidiaries) or memberships of administrative, management or supervisory bodies and/or partnerships:

| Name | Current | Past |
|---|---|---|
| Paul Cornet | Eugénie Patri Sébastien S.A., Rayvax Société d'Investissement S.A., Sebacoop SCRL, Adrien Invest SCRL, Floridienne S.A., Gourmet Food Collection S.A. and the Stichting | Sparflex |
| Stéfan Descheemaeker | Eugénie Patri Sébastien S.A., the Stichting and Delhaize Group | — |
| Olivier Goudet | Joh. A. Benckiser Group, Joh. A. Benckiser sàrl, Joh. A. Benckiser AdvisorCo LLC, Peet's Coffee & Tea, Inc. and Mars Inc. | Wm. Wrigley Jr. Company and the Washington Performing Arts Society |
| Jorge Paulo Lemann | Harvard Business School's Board of Dean's Advisors, 3G Capital, Inc., Fundação Estudar, Fundação Lemann, the Stichting and Instituto Veris—IBMEC São Paulo | Lojas Americanas S.A., São Carlos Empreendimentos e Participações S.A., GP Investimentos, The Gillette Company, Swiss Re, DaimlerChrysler (International Advisory Board), NYSE (Latin American Advisory Board) |
| Grégoire de Spoelberch | Agemar S.A., Wernelin S.A., Fiprolux S.A., Eugénie Patri Sébastien S.A., the Stichting, G.D.S. Consult, Cobehold, Compagnie Benelux Participations, Vervodev, Wesparc, Groupe Josi(1), Financière Stockel(1), Immobilière du Canal(1), Verlinvest(1), Midi Developpement(1), Solferino Holding S.A., Navarin S.A., Zencar S.A., Clearvolt S.A. and Fonds InBev Baillet Latour | Atanor(1), Amantelia(1), Demeter Finance, Lunch Garden Services(1), Lunch Garden(1), Lunch Garden Management(1), Lunch Garden Finance(1), Lunch Garden Concepts(1), HEC Partners(1), Q.C.C.(1), A.V.G. Catering Equipment(1), Immo Drijvers-Stevens(1), Elpo-Cuisinex Wholesale(1) |
| Kees Storm | Unilever N.V., Unilever Plc, Baxter International Inc., Pon Holdings B.V., AEGON N.V. and Koninklijke Luchtvaart Maatschappij N.V. | Royal Wessanen N.V. and Laurus N.V. |
| Marcel Herrmann Telles | 3G Capital, Inc., Burger King Worldwide Holdings, Inc., Instituto de Desenvolvimento Gerencial—INDG, Fundação Estudar, Instituto Social Maria Telles, Itau/Unibanco International, the Stichting and Harvard Business School's Board of Dean's Advisors | Lojas Americanas S.A., São Carlos Empreendimentos e Participações S.A., Editora Abril S.A. GP Investimentos and Instituto Veris— |

| | | |
|---|---|---|
| | | IBMEC São Paulo |
| Roberto Moses Thompson Motta | São Carlos Empreendimentos e Participações S.A., Lojas Americanas S.A., B2W Companhia Global do Varejo, 3G Capital, Inc., the Stichting and Ambev SA. | GP Investment Limited, Mcom Wireless Ltda. and LPDS Participações S.A. |
| Alexandre Van Damme | Royal Sporting Club Anderlecht, Burger King Worldwide Holdings Inc., the Stichting and Eugénie Patri Sébastien S.A. | UCB S.A. |

| Name | Current | Past |
|---|---|---|
| Carlos Alberto Sicupira | B2W Companhia Global do Varejo, São Carlos Empreendimentos e Participações S.A, Burger King Worldwide Holdings, Inc., Lojas Americanas S.A., 3G Capital, Inc., Instituto de Desenvolvimento Gerencial—INDG, Movimento Brasil Competitivo—MBC, Fundação Estudar, Fundação Brava, the Stichting, Instituto Veris—IBMEC São Paulo, Instituto Empreender Endeavor Brasil, and Harvard Business School's Board of Dean's Advisors | ALL América Latina Logística S.A. and GP Investimentos |
| Mark Winkelman | Goldman, Sachs & Co. and University of Pennsylvania | Select Reinsurance, Ltd. and J.C. Flowers & Co. |

Note:

(1) As permanent representative.

**Chief Executive Officer and Senior Management**

***Role and Responsibilities, Composition, Structure and Organization***

Our Chief Executive Officer is responsible for our day-to-day management. He has direct responsibility for our operations and oversees the organization and efficient day-to-day management of our subsidiaries, affiliates and joint ventures. Our Chief Executive Officer is responsible for the execution and management of the outcome of all of our Board decisions.

He is appointed and removed by our Board and reports directly to it.

Our Chief Executive Officer leads an executive board of management comprised of the Chief Executive Officer, seven global functional heads and six geographic business zone presidents.

The other members of the executive board of management work with our Chief Executive Officer to enable our Chief Executive Officer to properly perform his duties of daily management.

Although exceptions can be made in special circumstances, the upper age limit for the members of our executive board of management is 65, unless their employment contract provides otherwise.

Our executive board of management currently consists of the following members:

| Name | Function |
|---|---|
| Carlos Brito | Chief Executive Officer |
| Felipe Dutra | Chief Financial Officer |
| Claudio Braz Ferro | Chief Supply Officer |
| Miguel Patricio | Chief Marketing Officer |
| Sabine Chalmers | Chief Legal and Corporate Affairs Officer |
| Claudio Garcia | Chief People and Technology Officer |
| Tony Milikin | Chief Procurement Officer |
| Bernardo Pinto Paiva | Chief Sales Officer |
| Jo Van Biesbroeck | Zone President Western Europe and Chief Strategy Officer |
| Michel Doukeris | Zone President Asia Pacific |
| Stuart MacFarlane | Zone President Central & Eastern Europe |
| Francisco Sá | Zone President Latin America South |
| João Castro Neves | Zone President Latin America North |
| Luiz Fernando Edmond | Zone President North America |

The business address for all of these executives is: Brouwerijplein 1, 3000 Leuven, Belgium.

**Carlos Brito** is our Chief Executive Officer. Born in 1960, he is a Brazilian citizen and received a Degree in Mechanical Engineering from the Universidade Federal do Rio de Janeiro and an MBA from Stanford University. He held positions at Shell Oil and Daimler Benz prior to joining Ambev in 1989. At Ambev he had roles in Finance, Operations, and Sales, before being appointed Chief Executive Officer in January 2004. He was appointed Zone President North America at InBev in January 2005 and Chief Executive Officer in December 2005. He is also a member of the Board of Directors of Ambev and Grupo Modelo.

**Felipe Dutra** is our Chief Financial Officer. Born in 1965, Mr. Dutra is a Brazilian citizen and holds a Major in Economics from Candido Mendes and an MBA in Controlling from Universidade de São Paulo. He joined Ambev in 1990 from Aracruz Celulose, a major Brazilian manufacturer of pulp and paper. At Ambev he held various positions in Treasury and Finance before being appointed General Manager of Ambev's subsidiary, Fratelli Vita. Mr. Dutra was appointed Ambev's Chief Financial Officer in 1999 and he became our Chief Financial Officer in January 2005. He is also a member of the Board of Directors of Ambev and Grupo Modelo.

**Claudio Braz Ferro** is our Chief Supply Officer. Born in 1955, Mr. Ferro is a Brazilian citizen and holds a Degree in Industrial Chemistry from the Universidade Federal de Santa Maria, RS, and has studied Brewing Science at the Catholic University of Leuven. Mr. Ferro joined Ambev in 1977, where he held several key positions, including plant manager of the Skol brewery, Industrial Director of Brahma operations in Brazil and later VP Operations at Ambev in Latin America. He was appointed our Chief Supply Officer in January 2007.

Miguel Patricio is our Chief Marketing Officer. Born in 1966, he is a Portuguese citizen and holds a Degree in Business Administration from Fundação Getulio Vargas in São Paulo. Prior to joining Ambev in 1998, Mr. Patricio held several senior positions across the Americas at Philip Morris, the Coca-Cola Company and Johnson & Johnson. At Ambev, he was Vice President Marketing, before being appointed Vice President Marketing of InBev's North American Zone based in Toronto in January 2005. In January 2006 he was promoted to Zone President North America, and in January 2008, he moved to Shanghai to take on the role of Zone President Asia Pacific. He became our Chief Marketing Officer in July 2012.

**Sabine Chalmers** is our Chief Legal and Corporate Affairs Officer and Secretary to the Board of Directors. Born in 1965, Ms. Chalmers is of German and Indian origin and holds an LL.B. from the London School of Economics. She is qualified as a solicitor in England and is a member of the New York State Bar. Ms. Chalmers joined us in January 2005 after over 12 years with Diageo plc where she held a number of senior legal positions in various geographies across Europe, the Americas and Asia including as General Counsel of the Latin American and North American businesses. Prior to Diageo, she was an associate at the law firm of Lovells in London, specializing in mergers and acquisitions. Ms. Chalmers is a member of the Board of Directors of Grupo Modelo. She also serves on several professional councils and not-for-profit boards, including the Association of Corporate Counsel and Legal Momentum, the United States' oldest legal defense and education fund dedicated to advancing the rights of women and girls.

**Claudio Garcia** is our Chief People and Technology Officer. Born in 1968, he is a Brazilian citizen and holds a Degree in Economics from the Universidade Estadual do Rio de Janeiro. Mr. Garcia joined Ambev as a management trainee in 1991 and thereafter held various positions in Finance and Operations before being appointed Information Technology and Shared Services Director in 2002. Mr. Garcia was appointed InBev's Chief Information and Services Officer in January 2005 and its Chief People and Technology Officer in September 2006. In this role he oversees our company's People organization globally, including the Global Management Trainee Program, Global MBA recruitment, Executive education and training and engagement initiatives.

**Tony Milikin** is our Chief Procurement Officer. Born in 1961, he is a U.S. citizen and holds an undergraduate Finance Degree from the University of Florida and an MBA in Marketing from Texas Christian

University in Fort Worth, Texas. Mr. Milikin joined us in May 2009 from MeadWestvaco, where he was Vice President, Supply Chain and Chief Purchasing Officer, based in Richmond, Virginia, since 2004. Prior to joining MeadWestvaco, he held various purchasing and supply chain positions including Vice-President Purchasing and Supply Management for Sealy, Inc.; Senior Director, Purchasing, Transportation and Distribution for Monsanto; and Manager, Direct Material Sourcing for Alcon Laboratories. He serves on several professional councils, including The Conference Board's Purchasing and Supply Leadership Council and Manufacturers Alliance/MAPI's Purchasing Council. He was also a member of the Board of Directors of the Institute for Supply Management™ (ISM).

**Bernardo Pinto Paiva** is our Chief Sales Officer. Born in 1968, he is a Brazilian citizen and holds a Degree in Engineering from Universidade Federal do Rio de Janeiro and an Executive MBA from Pontifícia Universidade Católica do Rio de Janeiro. Mr. Pinto Paiva joined Ambev in 1991 as a management trainee and during his career at our company has held leadership positions in Sales, Supply, Distribution and Finance. He was appointed Zone President North America in January 2008 and Zone President Latin America South in January 2009 before becoming Chief Sales Officer in January 2012.

**Jo Van Biesbroeck** is our Zone President Western Europe and Chief Strategy Officer. Born in 1956, Mr. Van Biesbroeck is a Belgian citizen and received a Degree in Economics from the Catholic University of Leuven. He joined Interbrew and held several positions in Controlling and Finance prior to becoming Senior Vice President Corporate Strategy in 2003. In January 2005, he was appointed Chief Strategy and Business Development Officer of InBev; and in May 2006, he took up the position of Chief Strategy and Sales Officer. He was appointed to his current role in January 2010.

**Michel Doukeris** is our Zone President Asia Pacific. Born in 1973, he is a Brazilian citizen and holds a Degree in Chemical Engineering from Federal University of Santa Catarina in Brazil and a Master's Degree in Marketing from Fundação Getulio Vargas, also in Brazil. He has also completed post-graduate programs in Marketing and Marketing Strategy from the Kellogg School of Management and Wharton Business School in the United States. Mr. Doukeris joined our company in 1996 and held sales positions of increasing responsibility before becoming Vice President Soft Drinks for our Latin America North Zone in 2008. He was appointed President, AB InBev China in January 2010 and currently serves as Zone President Asia Pacific, a position he has held since January 2013.

**Stuart MacFarlane** is our Zone President Central & Eastern Europe. Born in 1967, he is a citizen of the UK and received a Degree in Business Studies from Sheffield University in the UK. He is also a qualified Chartered Management Accountant. He joined our company in 1992 and since then has held senior roles in Finance, Marketing, Sales and was Managing Director for our company's business in Ireland. Mr. MacFarlane was appointed President of AB InBev UK & Ireland in January 2008, and in January 2012, became our Zone President Central & Eastern Europe.

**Francisco Sá** is our Zone President Latin America South. Born in 1965, he is a Brazilian citizen and holds a Degree in Civil Engineering from Universidade Federal da Bahia and an MBA from University of California, Berkeley. He was President of Refrigerantes da Bahia S/A (Coca Bottling Company) for seven years prior to joining Ambev in 1998. He has also held several roles including Direct Distribution Manager, Regional Sales Director and VP Soft Drinks for the Latin America North Zone. Mr. Sá was appointed Zone President Central & Eastern Europe in January 2008 and took over his current role, Zone President Latin America South, in January 2012.

**João Castro Neves** is our Zone President Latin America North and Ambev's Chief Executive Officer. Born in 1967, Mr. Castro Neves is a Brazilian citizen and holds a Degree in Engineering from Pontifícia Universidade Católica do Rio de Janeiro and an MBA from the University of Illinois. He joined Ambev in 1996 and has held positions in various departments such as Mergers and Acquisitions, Treasury, Investor Relations, Business Development, Technology and Shared Services. He was Ambev's Chief Financial Officer and Investor Relations Officer before being appointed Zone President Latin America South in January 2007. He took on his current role in January 2009.

**Luiz Fernando Edmond** is our Zone President North America. Born in 1966, he is a Brazilian citizen and holds a Degree in Production Engineering from the Universidade Federal do Rio de Janeiro. After starting his

professional career with Banco Nacional in Brazil, Mr. Edmond joined Brahma, which later became Ambev, in 1990 as part of its Management Trainee Program. At Ambev, he held various positions in the Commercial, Operations and Distribution areas. He was appointed Zone President Latin America and Ambev's Chief Executive Officer in January 2005; and Zone President North America in November 2008. He is also a member of the Board of Directors of Ambev.

***General Information on the Members of the Executive Board of Management***

In relation to each of the members of the executive board of management, other than as set out below, we are not aware of (i) any convictions in relation to fraudulent offenses in the last five years, (ii) any bankruptcies, receiverships or liquidations of any entities in which such members held any office, directorships, or partner or senior management positions in the last five years, or (iii) any official public incrimination and/or sanctions of such members by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

In May 2008, Mr. Dutra received a "warning" from the Administrative Appeal Council for the National Financial System of Brazil. A warning, which is the lightest sanction available under applicable Brazilian law, represents the conclusion by the Administrative Appeal Council that, in its view, a breach has occurred. No fine, or any other consequence, attaches to a warning, other than being deemed a repetitive offender in the event of another breach in the future (and, as such, being then potentially exposed to heavier sanctions than would normally be associated with such other breach). The warning relates to the reporting in the 2000 financial year financial statements of Polar (Industrias de Bebidas Antarctica Polar S.A., a Brazilian company that became a subsidiary of Ambev in 1999) of (i) the net balance (immaterial to Ambev and to Polar) of certain inter-company loans of Polar, and (ii) restatements and other adjustments required by the new statutory auditors of Polar after it became a subsidiary of Ambev to conform with Ambev's accounting practices that increased the amount of certain reserves of Polar. Mr. Dutra, who had been appointed as an officer of Polar a few months before the relevant financial statement reporting has expressed his intention to challenge the warning in a court of law.

No member of our executive board of management has any conflicts of interests between any duties he/she owes to us and any private interests and/or other duties.

No member of our executive board of management has a family relationship with any director or member of executive management.

Over the five years preceding the date of this Form 20-F, the members of the executive board of management have held the following main directorships (apart from directorships they have held with us and our subsidiaries) or memberships of administrative, management or supervisory bodies and/or partnerships:

| Name | Current | Past |
|---|---|---|
| Carlos Brito | Director of Fundação Antonio e Helena Zerrenner, Grupo Modelo | — |
| Felipe Dutra | Director of Grupo Modelo | — |
| Claudio Braz Ferro | — | — |
| Miguel Patricio | — | — |
| Sabine Chalmers | Director of the Association of Corporate Counsel (ACC), Legal Momentum, Grupo Modelo | — |
| Claudio Garcia | — | — |
| Tony Milikin | — | Director of the Institute of Supply Management and Director of Supply Chain Council |

| Name | Current | Past |
|---|---|---|
| Bernardo Pinto Paiva | — | — |
| Jo Van Biesbroeck | Director of Inno.com NV | — |
| Michel Doukeris | — | — |
| Stuart MacFarlane | — | — |
| Francisco Sá | — | — |
| João Castro Neves | — | — |
| Luiz Fernando Edmond | — | — |

## B. COMPENSATION

### Introduction

Our compensation system has been designed and approved to help motivate high performance. The goal is to deliver market-leading compensation, driven by both company and individual performance, and alignment with shareholders' interests by encouraging ownership of our shares. Our focus is on annual and long-term variable pay, rather than on base salary or fees.

### Share-Based Payment Plans

We currently have three primary share-based payment plans, namely our long-term incentive warrant plan ("**LTI Warrant Plan**"), established in 1999, our share-based compensation plan ("**Share-Based Compensation Plan**"), established in 2006 (and amended as from 2010) and our long-term incentive stock option plan ("**LTI Stock Option Plan**"), established in 2009.

In addition, from time to time, we make exceptional grants to our employees and employees of our subsidiaries or grants of shares or options under plans established by us or by certain of our subsidiaries.

#### *LTI Warrant Plan*

Since 1999, we have regularly issued warrants (*droits de souscription/warrants*, or rights to subscribe for newly-issued shares) under our LTI Warrant Plan for the benefit of our directors and, until 2006, for the benefit of members of our executive board of management and other senior employees. Since 2007, members of our executive board of management and other employees are no longer eligible to receive warrants under the LTI Warrant Plan, but instead receive a portion of their compensation in the form of shares and options granted under our Share-Based Compensation Plan and LTI Stock-Option Plan. See "—Share-Based Compensation Plan" and "—LTI Stock-Option Plan" below. Only our directors continue to be eligible to receive a portion of their compensation in the form of LTI warrants. Such grants are made annually at our shareholders' meeting on a discretionary basis upon recommendation of our Remuneration Committee. See "—C. Board Practices—Information about Our Committees—The Remuneration Committee."

Each LTI warrant gives its holder the right to subscribe for one newly-issued share. Shares subscribed for upon the exercise of LTI warrants are ordinary registered Anheuser-Busch InBev SA/NV shares. Holders of such shares have the same rights as any other registered shareholder. The exercise price of LTI warrants is equal to the average price of our shares on the regulated market of Euronext Brussels during the 30 days preceding their issue date. LTI warrants granted in the years prior to 2007 (except for 2003) have a duration of ten years. From 2007 onwards (and in 2003) LTI warrants have a duration of five years. LTI warrants are subject to a vesting period ranging from one to three years. Except as a result of the death of the holder, LTI warrants may not be transferred. Forfeiture of a warrant occurs in certain circumstances when the holder leaves our employment.

The table below provides an overview of all of the warrants outstanding under our LTI Warrant Plan as of 31 December 2012:

| LTI Plan | Issue date of warrants | Expiry date of warrants | Number of warrants granted[1] | Number of warrants outstanding | Exercise price | Number of warrants outstanding | Exercise price |
|---|---|---|---|---|---|---|---|
| | | | | *Unadjusted*[2] | | *As adjusted as a result of rights offering*[3] | |
| | | | *(in millions)* | *(in millions)* | *(in EUR)* | *(in millions)* | *(in EUR)* |
| 1 | 29 June 1999 | 28 June 2009 | 1.301 | 0 | 14.23 | 0 | 8.90 |
| 2 | 26 October 1999 | 25 October 2009 | 0.046 | 0 | 13.76 | — | — |
| 3 | 25 April 2000 | 24 April 2010 | 2.425 | 0 | 11.64 | 0 | 7.28 |
| 4 | 31 October 2000 | 30 October 2010 | 0.397 | 0 | 25.02 | 0 | 15.64 |
| 5 | 13 March 2001 | 12 March 2011 | 1.186 | 0 | 30.23 | 0 | 18.90 |
| 6 | 23 April 2001 | 22 April 2011 | 0.343 | 0 | 29.74 | 0 | 18.59 |
| 7 | 4 September 2001 | 3 September 2011 | 0.053 | 0 | 28.69 | 0 | 17.94 |
| 8 | 11 December 2001 | 10 December 2011 | 1.919 | 0 | 28.87 | 0 | 18.05 |
| 9 | 13 June 2002 | 12 June 2012 | 0.245 | 0 | 32.70 | 0 | 20.44 |
| 10 | 10 December 2002 | 9 December 2012 | 3.464 | 0 | 21.83 | 0 | 13.65 |
| 11 | 29 April 2003 | 28 April 2008 | 0.066 | 0 | 19.51 | — | — |
| 12 | 27 April 2004 | 26 April 2014 | 3.881 | 0.202 | 23.02 | 0.20 | 14.39 |
| 13 | 26 April 2005 | 25 April 2015 | 2.544 | 0.213 | 27.08 | 0.21 | 16.93 |
| 14 | 25 April 2006 | 24 April 2016 | 0.688 | 0.178 | 38.70 | 0.11 | 24.20 |
| 15 | 24 April 2007 | 23 April 2012 | 0.120 | 0 | 55.41 | — | — |
| 16 | 29 April 2008 | 28 April 2013 | 0.120 | 0.093 | 58.31 | — | — |
| 17 | 28 April 2009 | 27 April 2014 | 1.199[4] | 1.045 | 21.72 | — | — |
| 18 | 27 April 2010 | 26 April 2015 | 0.215 | 0.215 | 37.51 | — | — |
| 19 | 26 April 2011 | 25 April 2016 | 0.215 | 0.215 | 40.92 | — | — |
| 20 | 27 April 2012 | 27 April 2017 | 0.200 | 0.200 | 54.71 | — | — |
| | **Total** | | **20.627** | **2.36** | | **0.52** | |

Notes:

(1) The number of warrants granted reflects the number of warrants originally granted under the LTI Warrant Plan, plus the number of additional warrants granted to holders of those warrants as a result of adjustment resulting from our rights offering in December 2008, as described in more detail below. The number of warrants remaining outstanding from such grants, and their respective exercise prices, are shown separately in the table based on whether or not the relevant warrants were adjusted in connection with our rights offering in December 2008.

(2) Entries in the "unadjusted" columns reflect the number of warrants outstanding, and the exercise price of such warrants, in each case that were not adjusted as a result of our rights offering in December 2008, as described in more detail below.

(3) Entries in the "adjusted" columns reflect the adjusted number of warrants outstanding, and the adjusted exercise price of such warrants as a result of our rights offering in December 2008, as described in more detail below.

(4) 984,203 of the 1,199,203 warrants granted on 28 April 2009 were granted to persons whose outstanding warrants were not adjusted as a result of our rights offering in December 2008 to compensate such persons for the effects of this non-adjustment as described in more detail below.

As of 31 December 2012, the total number of warrants granted under the LTI Warrant Plan, including the additional warrants granted to compensate for the effects of the December 2008 rights offering, is 20,627 million. As of 31 December 2012, of the 2.36 million outstanding warrants, 1.45 million were vested.

The LTI terms and conditions provide that, in the event that a corporate change decided by us and having an impact on our capital has an unfavorable effect on the exercise price of the LTI warrants, their exercise price and/or the number of our shares to which they give rights will be adjusted to protect the interests of their holders.

Our rights offering in December 2008 constituted such a corporate change and triggered an adjustment. Pursuant to the LTI terms and conditions, we determined that the most appropriate manner to account for the impact of the rights offering on the unexercised warrants was to apply the "ratio method" as set out in the NYSE Euronext "Liffe's Harmonised Corporate Action Policy," pursuant to which both the number of warrants and their exercise price were adjusted on the basis of a (P-E)/P ratio where "E" represented the theoretical value of the December 2008 rights and "P" represented the closing price of our shares on Euronext Brussels on the day immediately preceding the beginning of the relevant rights subscription period. The unexercised warrants were adjusted on 17 December 2008, the day after the closing of the rights offering. Based on the above "ratio method," we used an adjustment ratio of 0.6252. The adjusted exercise price of the warrants equals the original exercise price multiplied by the adjustment ratio. The adjusted number of warrants equals the original number of warrants divided by the adjustment ratio. In total, 1,615,453 new warrants were granted pursuant to the adjustment.

The adjustment was not applied to warrants owned by persons that were directors at the time the warrants were granted. In order to compensate such persons, an additional 984,203 warrants were granted under the LTI grant on 28 April 2009, as authorized by our 2009 shareholders' meeting. 295,409 warrants out of these 984,203 warrants were granted to our current directors. The table above reflects the adjusted exercise price and adjusted number of warrants.

For additional information on the LTI warrants held by members of our Board of Directors and members of our executive board of management, see "—Compensation of Directors and Executives."

***Share-Based Compensation Plan***

Since 2006, members of our executive board of management and certain other senior employees are granted variable compensation under our Share-Based Compensation Plan. As of 5 March 2010, the general structure of the compensation under the plan has been modified.

***Share-Based Compensation Plan through 2009***

Pursuant to the Share-Based Compensation Plan through 2009, half of each eligible employee's variable compensation was settled in our shares. These shares must be held for three years (that is, the shares are fully owned by the employee from the date of grant but are subject to a lock-up of three years, and failure to comply with the lock-up results in forfeiture of any matching options granted under the plan as described below).

Through 2009, pursuant to the Share-Based Compensation Plan, eligible employees could elect to receive the other half of their variable compensation in cash or invest all or half of it in our shares. These shares must be held for five years. If an eligible employee voluntarily agreed to defer receiving part of their variable compensation by electing to invest in such shares, they would receive matching options (that is, rights to acquire existing shares) that will become vested after five years, provided that certain pre-defined financial targets are met or exceeded. These targets will be met if our return on invested capital less our weighted average cost of capital over a period of three to five years exceeds certain pre-agreed thresholds. The number of matching options received was determined based on the proportion of the remaining 50% of the eligible employee's variable compensation that he invested in such shares. For instance, if an eligible employee invested all of the remaining 50% of his variable compensation in our shares, he received a number of options equal to 4.6 times the number of shares he purchased, based on the gross amount of the variable compensation invested. If the eligible employee instead chose to receive 25% of his total variable compensation in cash and invests the remaining 25% in our shares, he would receive a number of options equal to 2.3 times the number of shares he purchased, based on the gross amount of the variable compensation invested.

The shares granted and purchased under the Share-Based Compensation Plan through 2009 were ordinary registered Anheuser-Busch InBev SA/NV shares. Holders of such shares have the same rights as any other registered shareholder, subject, however, to a three-year or five-year lock-up period, as described above.

In addition, the shares granted and purchased under the Share-Based Compensation Plan through 2009 are:

- entitled to dividends paid as from the date of granting; and

- granted and purchased at the market price at the time of granting. Nevertheless, our Board of Directors could, at its sole discretion, grant a discount on the market price.

The matching options granted under the Share-Based Compensation Plan have the following features:

- the exercise price is set equal to the market price of our shares at the time of granting;
- options have a maximum life of ten years and an exercise period that starts after five years, subject to financial performance conditions to be met at the end of the second, third or fourth year following the granting;
- upon exercise, each option entitles the option holder to subscribe to one share; and
- specific restrictions or forfeiture provisions apply in case the grantee leaves our employment.

The table below gives an overview of the matching options that were granted under the Share-Based Compensation Plan that were outstanding as of 31 December 2012:

| Issue Date | Number of shares granted *(in millions)* | Number of matching options granted[3] *(in millions)* | Number of matching options outstanding *(in millions)* | Exercise price *(in EUR)* | Expiry date of options |
|---|---|---|---|---|---|
| 27 April 2006 | 0.28 | 0.98 | 0.297 | 24.78 | 26 April 2016 |
| 2 April 2007[1] | 0.44 | 1.42 | 0.738 | 33.59 | 1 April 2017 |
| 3 March 2008 | 0.42 | 1.66 | 1.205 | 34.34 | 2 March 2018 |
| 6 March 2009 | 0.16 | 0.40 | 0.209 | 20.49 | 5 March 2019 |
| 14 August 2009 | 1.10 | 3.76 | 3.212 | 27.06 | 13 August 2019 |
| 1 December 2009[2] | — | 0.23 | 0.195 | 33.24 | 26 April 2016 |
| 1 December 2009[2] | — | 0.38 | 0.360 | 33.24 | 1 April 2017 |
| 1 December 2009[2] | — | 0.45 | 0.442 | 33.24 | 2 March 2018 |
| 1 December 2009[2] | — | 0.02 | 0.001 | 33.24 | 5 March 2019 |
| 5 March 2010 | 0.28 | 0.70 | 0.589 | 36.52 | 4 March 2020 |
| 30 November 2010[2] | — | 0.03 | 0.019 | 42.41 | 26 April 2016 |
| 30 November 2010[2] | — | 0.02 | 0.018 | 42.41 | 1 April 2017 |
| 30 November 2010[2] | — | 0.02 | 0.020 | 42.41 | 2 March 2018 |
| 30 November 2010[2] | — | 0.03 | 0.035 | 42.41 | 13 August 2019 |
| 30 November 2010[2] | — | 0.03 | 0.031 | 42.41 | 4 March 2020 |
| 30 November 2011[2] | — | 0.01 | 0.008 | 44.00 | 26 April 2016 |
| 30 November 2011[2] | — | 0.01 | 0.014 | 44.00 | 1 April 2017 |
| 30 November 2011[2] | — | 0.01 | 0.007 | 44.00 | 2 March 2018 |
| 30 November 2011[2] | — | 0.01 | 0.012 | 44.00 | 5 March 2019 |
| 30 November 2011[2] | — | 0.03 | 0.027 | 44.00 | 13 August 2019 |
| 30 November 2011[2] | — | 0.01 | 0.015 | 44.00 | 4 March 2020 |
| **Total** | **2.68** | **10.21** | **7.45** | | |

Notes:

(1) Certain matching options granted in April 2007 have an exercise price of EUR 33.79.
(2) Further to the establishment of our New York functional support office, we have established a "dividend waiver" program, which aims at encouraging the international mobility of executives while complying with all legal and tax obligations. According to this program, where applicable, the dividend protection feature of the outstanding matching options owned by executives who moved to the United States, has been cancelled. In order to compensate for the economic loss which results from this cancellation, a number of new matching options has been granted to these executives with a value equal to this economic loss. The new options have a strike price equal to the share price on the day preceding the grant date of the options. All other terms and conditions, in particular with respect to vesting, exercise limitations and forfeiture rules of the new options are identical to the outstanding matching options for which the dividend protection feature was cancelled. The table above includes the new options.
(3) The Share-Based Compensation Plan terms and conditions provide that, in the event that a corporate change decided by us and having an impact on our capital has an unfavorable effect on the exercise price of the matching options, the exercise price and/or number of our shares to which the options relate will be adjusted to protect the interests of the option holders. Our December 2008 rights offering constituted such a corporate change and triggered an adjustment. Pursuant to the Share-Based Compensation Plan terms and conditions, the unexercised matching options were adjusted in the same manner as the unexercised LTI warrants (see "—LTI Warrant Plan" above), and 1.37 million new matching options were granted in 2008 in connection with this adjustment. The table above reflects the adjusted exercise price and number of options.

As of 31 December 2012, of the 7.45 million outstanding matching options, 1.675 million were vested.

***Share-Based Compensation Plan from 2010***

As from 5 March 2010, we have modified the structure of the Share-Based Compensation Plan for certain executives, including members of our executive board of management and other senior management in our general headquarters. These executives receive their variable compensation in cash[1] but have the choice to invest some or all of the value of their variable compensation in our shares to be held for a five-year period, referred to as voluntary shares. Such voluntary investment leads to a 10% discount to the market price of the shares. Further, we will match such voluntary investment by granting three matching shares for each voluntary share invested, up to a limited total percentage of each executive's variable compensation. The matching is based on the gross amount of the variable compensation invested. The percentage of the variable compensation that is entitled to get matching shares varies depending on the position of the executive. The Chief Executive Officer and members of our executive board of management currently may take up to a maximum of 60% of their variable compensation with matching shares. The current maximum for executives below the executive board of management is 40% or less. From 1 January 2011, the new plan structure applies to all other senior management.

Voluntary shares are:

- our existing ordinary shares;
- entitled to dividends paid as from the date of granting;
- subject to a lock-up period of five years; and
- granted at market price. The discount is at the discretion of our Board of Directors. Currently, the discount is 10%, which is delivered as Restricted Stock units subject to specific restrictions or forfeiture provisions in case of termination of service.

Matching shares and discounted shares are granted in the form of restricted stock units which will be vested after five years. In case of termination of service before the vesting date, special forfeiture rules will apply.

[1] Depending on local regulations, the cash element in the variable compensation may be replaced by options which are linked to a stock market index or an investment fund of listed European blue chip companies.

In accordance with the authorization granted in our bylaws, as amended by the general shareholders' meeting of 26 April 2011, the variable compensation system deviates from article 520 of the Belgian Company Code, as it allows:

1. for the variable remuneration to be paid out based on the achievement of annual targets without staggering its grant or payment over a three-year period. However, executives are encouraged to invest some or all of their variable compensation in company shares which are blocked for five years (the "**voluntary shares**"). Such voluntary investment also leads to a grant of matching shares in the form of restricted stock units which only vest after five years, ensuring sustainable long-term performance;
2. for the voluntary shares granted under the share-based compensation plan to vest at their grant, instead of applying a vesting period of a minimum of three years. Nonetheless, as indicated above, the voluntary shares remain blocked for five years. On the other hand, any matching shares that are granted, will only vest after five years.

During 2012, we issued 0.7 million of matching restricted stock units pursuant to the new Share-Based Compensation Plan as described above, in relation to the 2011 bonus. These matching restricted stock units are valued at the share price at the day of grant, representing a fair value of approximately USD 46 million.

***LTI Stock Option Plan***

As from 1 July 2009, senior employees are eligible for an annual long-term incentive to be paid out in LTI stock options (or, in future, similar share-based instrument), depending on management's assessment of the employee's performance and future potential.

LTI stock options have the following features:

- Upon exercise, each LTI stock option entitles the option holder to one share. As of 2010, we have also issued LTI stock options entitling the holder to one American Depositary Share;
- An exercise price that is set equal to the market price of our share or our American Depositary Share at the time of granting;
- A maximum lifetime of ten years and an exercise period that starts after five years; and
- The LTI stock options cliff vest after five years. Unvested options are subject to specific forfeiture provisions in case of termination of service before the end of the five-year vesting period.

The table below gives an overview of the LTI stock options on our shares that have been granted under the LTI Stock Option Plan outstanding as of 31 December 2012:

| Issue Date | Number of LTI stock options granted *(in millions)* | Number of LTI stock options outstanding *(in millions)* | Exercise price *(in EUR)* | Expiry date of options |
|---|---|---|---|---|
| 18 December 2009 | 1.58 | 1.12 | 35.90 | 17 December 2019 |
| 30 November 2010 | 2.80 | 2.57 | 42.41 | 29 November 2020 |
| 30 November 2011 | 2.84 | 2.75 | 44.00 | 29 November 2021 |
| 30 November 2012 | 2.82 | 2.82 | 66.56 | 29 November 2022 |
| 14 December 2012 | 0.24 | 0.24 | 66.88 | 13 December 2022 |

The table below gives an overview of the LTI stock options on our American Depositary Shares that have been granted under the LTI Stock Option Plan outstanding as of 31 December 2012:

| Issue Date | Number of LTI stock options granted *(in millions)* | Number of LTI stock options outstanding *(in millions)* | Exercise price *(in USD)* | Expiry date of options |
|---|---|---|---|---|
| 30 November 2010 | 1.22 | 1.14 | 56.02 | 29 November 2020 |
| 30 November 2011 | 1.18 | 1.18 | 58.44 | 29 November 2021 |
| 30 November 2012 | 1.17 | 1.17 | 86.43 | 29 November 2022 |
| 14 December 2012 | 0.17 | 0.17 | 87.34 | 13 December 2022 |

***Long-Term Restricted Stock Unit Programs***

As of 2010, we have in place three Restricted Stock Unit Programs.

Restricted Stock Units Program: this program allows for the offer of restricted stock units to certain employees in certain specific circumstances. Grants are made at the discretion of our Chief Executive Officer. For example, grants may be made to compensate for assignments of expatriates in countries with difficult living conditions. The characteristics of the restricted stock units are identical to the characteristics of the Matching Shares that are granted as part of the Share-Based Compensation Plan. See "—Share-Based Compensation Plan—Share-Based Compensation Plan from 2010." The restricted stock units vest after five years and in the case of termination of service before the vesting date, specific forfeiture rules apply. In 2012, 0.015 million restricted stock units were granted under the program to our senior management.

Exceptional Incentive Restricted Stock Units Program: this program allows for the exceptional offer of restricted stock units to certain employees at the discretion of our Remuneration Committee as a long-term retention incentive for our key employees. Employees eligible to receive a grant under the program will receive two series of restricted stock units. The first half of the restricted stock units vests after five years. The second half of the restricted stock units vests after ten years. In case of termination of service before the vesting date, specific forfeiture rules apply. In 2012, 0.26 million restricted stock units were granted under the program to our senior management.

Share Purchase Program: this program allows certain employees to purchase our shares at a discount. This program is a long-term retention incentive (i) for high-potential employees who are at a mid-manager level ("**People Bet Share Purchase Program**") or (ii) for newly hired employees. A voluntary investment in our shares by the participating employee is matched with a grant of three matching shares for each share invested. The discount and matching shares are granted in the form of restricted stock units which vest after five years. In case of termination before the vesting date, special forfeiture rules apply. In 2012, our employees purchased 0.002 million shares under the program.

***Ambev Exchange of Share-Ownership Program***

The combination with Ambev provided us with a unique opportunity to share best practices within our group and from time to time involves the transfer of certain members of Ambev's senior management to us. As a result, the Board approved a Program that allows for the exchange by these managers of their Ambev shares for our shares. Under the Program, Ambev shares can be exchanged for our shares based on the average share price of both the Ambev and our shares on the date the exchange is requested. A discount of 16.66% is granted in exchange for a five-year lock-up period for the shares and provided that the manager remains in service during this period.

In total, members of our senior management exchanged 0.15 million Ambev shares for a total of 0.11 million of our shares in 2012 (0.25 million in 2011 and 0.25 million in 2010). The fair value of these transactions amounted to approximately USD 1.1 million in 2012 (USD 10.0 million in 2011 and USD 2.0 million in 2010).

***Programs for maintaining consistency of benefits granted and for encouraging global mobility of executives***

Our Board of Directors recommended to our shareholders for approval two programs that are aimed at maintaining consistency of benefits granted to executives and at encouraging the international mobility of executives while complying with all legal and tax obligations. The programs were approved at the annual shareholders' meeting of 27 April 2010.

The Exchange program: under this program, the vesting and transferability restrictions of the Series A Options granted under the November 2008 Exceptional Grant[2] and of the Options granted under the April 2009 Exceptional Grant[3] can be released, *e.g.*, for executives who move to the United States. These executives are then offered the possibility to exchange their options against a number of our shares that remain locked up until 31 December 2018. In total, in 2012, members of the executive board of management have exchanged 0.36 million Series A Options granted under the November 2008 Exceptional Grant for approximately 0.32 million shares. In total, other members of our senior management have exchanged approximately 0.06 million options granted under the April 2009 Exceptional Grant and 0.2 million Series A Options granted under the November 2008, for approximately 0.20 million shares. The exchange was based on the fair market value of the share on the day of the exchange.

The Dividend waiver program: the dividend protection feature of the outstanding options, where applicable, owned by executives who move to the United States will be cancelled. In order to compensate for the economic loss which results from this cancellation, a number of new options is granted to these executives with a value equal to this economic loss. The new options have a strike price equal to the share price on the day preceding the grant date of the options. All other terms and conditions, in particular with respect to vesting, exercise limitations and forfeiture rules of the new options are identical to the outstanding options for which the dividend protection feature is cancelled. As a consequence, the grant of these new options does not result in the grant of any additional economic benefit to the executives concerned. In 2012, under this program, no dividend waiver was processed.

***Fair Value of Our Warrants and Options***

The fair value of the warrants and options under all of the plans and other grants detailed above is estimated at the relevant grant date, using a binomial Hull model, modified to reflect the IFRS 2 Share-based Payment requirement that assumptions about forfeiture before the end of the vesting period cannot impact the fair value of the option.

We expense the fair value of the warrants and options over the vesting period. When granted, the LTI warrants granted in 2012 in respect of the 2011 performance had a fair value of approximately USD 2.5 million and the options granted under the long-term stock option plan had a fair value of approximately USD 86 million.

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[2] The Series A Options have a duration of ten years from granting and vest on 1 January 2014. The Series B Options have a duration of 15 years from granting and vest on 1 January 2019. The exercise of the stock options is subject, among other things, to the company meeting a performance test. This performance test has been met as the net debt/EBITDA, as defined (adjusted for exceptional items) ratio fell below 2.5 before 31 December 2013. Specific forfeiture rules apply in the case of termination of employment. The exercise price of the options is EUR 10.32 or EUR 10.50, which corresponds to the fair market value of the shares at the time of the option grant, as adjusted for the rights offering that took place in December 2008.

[3] The options have a duration of ten years from granting and vest on 1 January 2014. The exercise of the stock options is subject, among other things, to the company meeting a performance test. This performance test has been met as the net debt/EBITDA, as defined (adjusted for exceptional items) ratio fell below 2.5 before 31 December 2013. Specific forfeiture rules apply in the case of termination of employment. The exercise price of the options is EUR 21.94 or EUR 23.28, which corresponds to the fair market value of the shares at the time of the option grant.

The weighted average fair value of all of the warrants and options under all of the plans and other grants detailed above and the assumptions used in applying the option pricing model for the grants made in 2012, 2011 and 2010 were as follows:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | | *(Amounts in USD)*[1] | |
| Weighted average fair value of warrants and options granted | 19.57 | 14.95 | 14.59 |
| Share price | 86.87 | 57.04 | 51.71 |
| Average exercise price | 86.83 | 56.88 | 51.61 |
| Expected volatility | 25% | 26% | 26% |
| Expected dividends | 2.50% | 2.50% | 2.35% |
| Risk-free interest rate | 1.73% | 2.84% | 3.29% |

Note:

(1) Amounts converted into USD at the closing rate of the respective period.

Expected volatility is based on historical volatility calculated using 2,032 days of historical data. In the determination of the expected volatility, we excluded the volatility measured during the period 15 July 2008 until 30 April 2009, in view of the extreme market conditions experienced during that period. The binomial Hull model assumes that all employees would immediately exercise their warrants and options if our share price is 2.5 times above the exercise price. As a result, no single expected option life applies.

The aggregate total number of our options and warrants outstanding under all the plans and other grants described above has developed as follows:

| | Year ended 31 December | | |
|---|---|---|---|
| **Million Options and Warrants** | 2012 | 2011 | 2010 |
| Options and warrants outstanding at start of period | 54.4 | 56.1 | 50.8 |
| Options and warrants issued during the period[1] | 4.5 | 4.9 | 9.8 |
| Options and warrants exercised during the period | (3.3) | (4.1) | (1.8) |
| Options and warrants forfeited during the period | (2.3) | (2.5) | (2.7) |
| **Options and warrants outstanding at end of period** | 53.3 | 54.4 | 56.1 |

Note:

(1) Comprises 0.2 million warrants granted to directors under the LTI plan (see "—LTI Warrant Plan"), 0.6 million options granted under the dividend waiver program (see "—Share-Based Compensation Plan" and "—Programs for maintaining consistency of benefits granted and encouraging global mobility of executives moving to the United States"), 4.1 million LTI stock options granted to members of the executive board of management and senior employees under the LTI Stock Option Plan (see "—LTI Stock Option Plan").

The weighted average exercise price of our outstanding options and warrants is as follows:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | | *(Amounts in USD)*[1] | |
| Warrants and options outstanding at start of period | 32.98 | 29.88 | 27.37 |
| Granted during the period | 87.94 | 56.52 | 51.86 |
| Exercised during the period | 31.85 | 23.83 | 25.81 |
| Forfeited during the period | 32.82 | 27.65 | 27.76 |
| Outstanding at the end of the period | 38.31 | 32.98 | 29.88 |
| Exercisable at the end of the period | 40.65 | 31.91 | 30.71 |

Note:

(1) Amounts converted into USD at the closing rate of the respective period.

***Ambev Share-Based Compensation Plan***

Since 2005, Ambev has had a plan which is substantially similar to the Share-Based Compensation Plan under which bonuses granted to company employees and management are partially settled in shares. In 2010, Ambev modified the plan in the same manner as our 2010 modification of our Share-Based Compensation Plan (see "Item 6. Directors, Senior Management and Employees—B. Compensation—Share-Based Payment Plans—Share-Based Compensation Plan from 2010").

Under the Share-Based Compensation Plan as modified as of 2010, Ambev issued, in March 2012, 1 million restricted stock units with an estimated fair value of USD 24 million. In March 2011, Ambev issued 1.4 million restricted stock units with an estimated fair value of USD 38 million.

As from 2010, senior employees are eligible for an annual long-term incentive to be paid out in Ambev LTI stock options (or, in future, similar share-based instruments), depending on management's assessment of the employee's performance and future potential. In 2012, Ambev granted 3 million LTI stock options with an estimated fair value of USD 43 million. In 2011, Ambev granted 3.1 million LTI stock options with an estimated fair value of USD 37 million.

In order to encourage the mobility of managers, the features of certain options granted in previous years have been modified whereby the dividend protection of these options was cancelled and replaced by the issuance of 0.1 million options in 2012 representing the economic value of the dividend protection feature. In 2011, 2.5 million options were issued representing the economic value of the dividend protection feature. Since there was no change between the fair value of the original award before the modification and the fair value of the modified award after the modification, no additional expense was recorded as a result of this modification.

The weighted fair value of the options and assumptions used in applying a binomial option pricing model for the grants made by Ambev in 2012, 2011 and 2010 are as follows:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| | | *(Amounts in USD)*[1] | |
| Fair value of options granted | 13.64 | 11.98 | 11.24 |
| Share price | 41.72 | 29.65 | 24.09 |
| Exercise price | 41.72 | 24.73 | 24.57 |
| Expected volatility | 33% | 34% | 28% |
| Expected dividends | 0.00% - 5.00% | 0.00% - 5.00% | 2.57% |
| Risk-free interest rate | 2.10% - 11.20% | 3.10% - 11.89%[3] | 12.24% |

Note:

(1) Amounts converted into USD at the closing rate of the respective period.
(2) Following the decision of the General Meeting of Shareholders on 17 December 2010, each common and preferred share issued by Ambev was split into five shares, without any modification to the amount of the capital stock of Ambev. As a consequence of the split of the Ambev shares by a factor of five, the exercise price and the number of options were adjusted with the intention of preserving the rights of the existing option holders.
(3) The weighted average risk-free interest rates refer to granted ADRs and stock options, respectively.

**Compensation of Directors and Executives**

Unless otherwise specified, all compensation amounts in this section are gross of tax.

***Board of Directors***

Our directors receive fixed compensation in the form of annual fees and supplemental fees for physical attendance at Board committee meetings or supplemental Board meetings, and variable compensation in the form of LTI warrants. Our Remuneration Committee recommends the level of remuneration for directors, including the Chairman of the Board. These recommendations are subject to approval by our Board and, subsequently, by our shareholders at the annual general meeting. The Remuneration Committee benchmarks directors' compensation against peer companies to ensure that it is competitive. In addition, the Board sets and revises, from time to time, the rules and level of compensation for directors carrying out a special mandate or sitting on one or more of the Board committees and the rules for reimbursement of directors' business-related out-of-pocket expenses. See "—C. Board Practices—Information about Our Committees—The Remuneration Committee."

***Board compensation in 2012***

In 2012, the base annual fee for our directors was EUR 67,000 (USD 88,400) based on attendance at ten Board meetings. The base supplement for each additional physical Board meeting or for each Committee meeting attended was EUR 1,500 (USD 1,979). Since 1999, we have also regularly issued warrants under the LTI warrant plan for the benefit of our Board members. See "—Share-Based Payment Plans—LTI Warrant Plan" for a description of the LTI warrant plan. In 2012, the base grant amounted to 15,000 LTI warrants.

The fees and warrants received by the Chairman of our Board in 2012 were double the respective base amounts. The Chairman of the Audit Committee was granted fees and warrants in 2012 which were 30% higher than the respective base amounts. All other directors received the base amount of fees and warrants. We do not provide pensions, medical benefits, benefits upon termination or end of service or other benefit programs to directors.

During its meeting held on 25 February 2013, the Remuneration Committee made a recommendation to increase, as from the date following the annual shareholders' meeting to be held on 24 April 2013, the fixed annual fee of Board members from EUR 67,000 (USD 88,400) to EUR 75,000 (USD 98,955) (based on attendance at up to ten Board meetings). On 26 February 2013, the Board approved the Remuneration Committee's recommendation. Such increase in the annual fixed fee of Board members will be submitted to the shareholders for approval at the annual shareholders' meeting to be held on 24 April 2013.

The table below provides an overview of the fixed and variable compensation that our directors received in 2012.

| Name | Number of Board meetings attended | Annual fee for Board meetings *(EUR)* | Fees for Committee meetings *(EUR)* | Total fee *(EUR)* | Number of warrants granted under LTI 20[(1)] |
|---|---|---|---|---|---|
| Paul Cornet de Ways Ruart | 12 | 67,000 | 6,000 | 73,000 | 15,000 |
| Stéfan Descheemaeker | 10 | 67,000 | 1,500 | 68,500 | 15,000 |
| Olivier Goudet | 12 | 67,000 | 27,000 | 94,000 | 15,000 |
| Peter Harf (until 25 April 2012) | 6 | 44,667 | 6,000 | 50,667 | 30,000 |
| Jorge Paulo Lemann | 12 | 67,000 | 4,500 | 71,500 | 15,000 |
| Carlos Alberto da Veiga Sicupira | 12 | 67,000 | 6,000 | 73,000 | 15,000 |
| Grégoire de Spoelberch | 12 | 67,000 | 6,000 | 73,000 | 15,000 |
| Kees Storm (Chairman as of 25 April 2012) | 12 | 134,000 | 28,500 | 162,500 | 20,000 |
| Marcel Herrmann Telles | 12 | 67,000 | 30,000 | 97,000 | 15,000 |
| Roberto Moses Thompson Motta | 12 | 67,000 | 4,500 | 71,500 | 15,000 |
| Alexandre Van Damme | 12 | 67,000 | 15,000 | 82,000 | 15,000 |
| Mark Winkelman | 12 | 67,000 | 19,500 | 86,500 | 15,000 |
| **All directors as group** | **—** | **848,667** | **154,500** | **1,003,167** | **200,000** |

Notes:

(1) Warrants were granted under the LTI warrant plan in April 2012. See "—Share-Based Payment Plans—LTI Warrant Plan." The warrants have an exercise price of EUR 54.71 per share, have a term of five years and vest over a three-year period.

***Warrants and options held by directors***

The table below sets forth, for each of our current directors, the number of LTI warrants they owned as of 31 December 2012:

| | LTI 20[2] | LTI 19 | LTI 18 | LTI 17 | Rights-Offering Compensation[1] | LTI 16[3] | LTI 14 | LTI 13 | LTI 12 | Total options |
|---|---|---|---|---|---|---|---|---|---|---|
| **Grant date** | **26 April 2012** | **26 April 2011** | **27 April 2010** | **28 April 2009** | **28 April 2009** | **29 April 2008** | **25 April 2006** | **26 April 2005** | **27 April 2004** | |
| **Expiry date** | **25 April 2017** | **25 April 2016** | **26 April 2015** | **27 April 2014** | **27 April 2014** | **28 April 2013** | **24 April 2016** | **25 April 2015** | **26 April 2014** | |
| Paul Cornet de Ways Ruart | 15,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15,000 |
| Stéfan Descheemaeker | 15,000 | 15,000 | 15,000 | 15,000 | 0 | 0 | 0 | 0 | 0 | 60,000 |
| Olivier Goudet | 15,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15,000 |
| Peter Harf | 30,000 | 30,000 | 30,000 | 30,000 | 32,274 | 18,000 | 5,513 | 3,121 | 0 | 178,908 |
| Jorge Paulo Lemann | 15,000 | 15,000 | 15,000 | 15,000 | 28,343 | 9,000 | 8,269 | 9,364 | 0 | 114,976 |
| Marcel Herrmann Telles | 15,000 | 15,000 | 15,000 | 15,000 | 28,343 | 9,000 | 8,269 | 9,364 | 0 | 114,976 |
| Grégoire de Spoelberch | 15,000 | 15,000 | 15,000 | 15,000 | 5,395 | 9,000 | 0 | 0 | 0 | 74,395 |
| Kees Storm | 20,000 | 20,000 | 20,000 | 20,000 | 60,660 | 11,700 | 8,269 | 9,364 | 11,016 | 181,009 |
| Roberto Moses Thompson Motta | 15,000 | 15,000 | 15,000 | 15,000 | 28,343 | 9,000 | 8,269 | 9,364 | 0 | 114,976 |
| Alexandre Van Damme | 15,000 | 15,000 | 15,000 | 15,000 | 55,365 | 0 | 8,269 | 9,364 | 11,016 | 144,014 |
| Carlos Alberto da Veiga Sicupira | 15,000 | 15,000 | 15,000 | 15,000 | 28,343 | 9,000 | 8,269 | 9,364 | 0 | 114,976 |
| Mark Winkelman | 15,000 | 15,000 | 15,000 | 15,000 | 28,343 | 9,000 | 8,269 | 9,364 | 0 | 114,976 |
| **Strike price (EUR)** | **54.51** | **40.92** | **37.51** | **21.72** | **21.72** | **58.31** | **38.70** | **27.08** | **23.02** | **—** |

Notes:

(1) These warrants are part of the 984,203 warrants that were granted on 28 April 2009 to compensate for warrants that were not adjusted to take account of the effects of our December 2008 rights offering. See "—Share-Based Payment Plans—LTI Warrant Plan" for more details.

(2) Warrants were granted under the LTI warrant plan in April 2012. See "—Share-Based Payment Plans—LTI Warrant Plan." The warrants have an exercise price of EUR 54.71 per share, have a term of five years and vest over a three-year period.

(3) In August 2012, Kees Storm exercised 11,016 warrants of the LTI 10 Series. In December 2012, Alexandre Van Damme exercised 9,000 warrants of the LTI 16 Series.

***Board share ownership***

The table below sets forth the number of our shares owned by our directors as of 25 February 2013:

| Name | Number of our shares held | % of our outstanding shares |
|---|---|---|
| Paul Cornet de Ways Ruart | (*) | (*) |
| Stéfan Descheemaeker | (*) | (*) |
| Olivier Goudet | (*) | (*) |
| Marcel Herrmann Telles | (*) | (*) |
| Jorge Paulo Lemann | (*) | (*) |
| Grégoire de Spoelberch | (*) | (*) |
| Kees Storm | (*) | (*) |
| Roberto Moses Thompson Motta | (*) | (*) |
| Alexandre Van Damme | (*) | (*) |
| Carlos Alberto da Veiga Sicupira | (*) | (*) |
| Mark Winkelman | (*) | (*) |
| **TOTAL** | 530,792 | <1% |

Note:

(*) Each director owns less than 1% of our outstanding shares as of 25 February 2013.

***Executive Board of Management[4]***

The main elements of our executive remuneration are (i) base salary, (ii) variable compensation, (iii) stock-options, (iv) post-employment benefits and (v) other compensation.

Our executive compensation and reward programs are overseen by our Remuneration Committee. It submits recommendations on the compensation of our Chief Executive Officer to the Board for approval. Upon the recommendation of our Chief Executive Officer, the Remuneration Committee also submits recommendations on the compensation of the other members of our executive board of management to our Board for approval. Such submissions to our Board include recommendations on the annual targets and corresponding variable compensation scheme. Further, in certain exceptional circumstances, the Remuneration Committee or its appointed designees may grant limited waivers from lock-up requirements provided that adequate protections are implemented to ensure that the commitment to hold shares remains respected until the original termination date. The Nomination Committee approves our targets and individual annual targets and the Remuneration Committee approves the target achievement and corresponding annual and long-term incentives of members of our executive board of management. See "C. Board Practices—Information about Our Committees—The Remuneration Committee." The remuneration policy and any schemes that grant shares or rights to acquire shares are submitted to our annual shareholders meeting for approval.

Our compensation system is designed to support our high-performance culture and the creation of long-term sustainable value for our shareholders. The goal of the system is to reward executives with market-leading compensation, which is conditional upon both company and individual performance, and ensures alignment with shareholders' interests by strongly encouraging executive ownership of shares in our company.

[4] Figures in this section may differ from the figures in the notes to our consolidated financial statements for the following reasons: (i) figures in this section are figures gross of tax, while figures in the notes to our consolidated financial statements are reported as "cost for the Company"; (ii) the split "short-term employee benefits" vs. "share-based compensation" in the notes to our consolidated financial statements does not correspond to the split "base salary" vs. "variable compensation" in this section. Short-term employee benefits in the notes to our consolidated financial statements include the base salary and 50% of the variable compensation. Share-based compensation includes 50% of the variable compensation (portion paid in shares) and certain non-cash elements, such as the fair value of the options granted, which is based on financial pricing models; and (iii) the scope for the reporting is different as the figures in the notes to our consolidated financial statements also contain the remuneration of executives who left during the year, while figures in this section only contain the remuneration of executives who were in service at the end of the reporting year.

Through our Share-Based Compensation Plan, executives who demonstrate personal financial commitment to us by investing (all or part of) their annual variable compensation in our shares will be rewarded with the potential for significantly higher long-term compensation.

***Base Salary***

In order to ensure alignment with market practice, base salaries are reviewed against benchmarks on an annual basis. These benchmarks are collated by independent providers, in relevant industries and geographies. For benchmarking, a custom sample of peer companies ("**Peer Group**") is used when available. If Peer Group data are not available for a given level, data from Fortune 100 companies are used. Our executives' base salaries are intended to be aligned to mid-market levels for the appropriate market. Mid-market means that for a similar job in the market, 50% of companies in that market pay more and 50% of companies pay less. Executives' total compensation is intended to be 10% above the 3rd quartile.

In 2012, based on his employment contract, our Chief Executive Officer earned a fixed salary of EUR 1.27 million (USD 1.64 million). The other members of our executive board of management earned an aggregate base salary of EUR 7.40 million (USD 9.54 million).

***Variable Compensation – Share-Based Compensation Plan***

The variable compensation element of remuneration for members of our executive board of management is designed to encourage executives to drive our short- and long-term performance.

The target variable compensation is expressed as a percentage of the annual market reference salary applicable to the executive based on Peer Group or other data (as described above).

The percentage of variable compensation effectively paid is directly linked to the achievement of annual company, entity and individual targets which are based on performance metrics. For 2012, company and entity targets were related to EBITDA, cash flow, operating costs and market share. Below a hurdle no incentive is earned (as was the case for the majority of the members of the Executive Board of Management in 2008). Even if company or entity targets are achieved, individual payments are dependent on each executive's achievement of individual performance targets. Company and entity targets achievement is assessed by the Remuneration Committee on the basis of accounting and financial data. The Remuneration Committee also approves the individual targets achievement of the CEO and, upon recommendation of the CEO, of the Executive Board of Management.

Variable compensation is generally paid annually in arrears after publication of our full-year results. The variable compensation may be paid out semi-annually at the discretion of the Board based on the achievement of semi-annual targets. In such cases, the first half of the variable compensation is paid immediately after publication of the half-year results, and the second half of the variable compensation is paid after publication of the full-year results. In 2009, in order to align the organization against the delivery of specific targets following the Anheuser-Busch acquisition, the Board decided to apply semi-annual targets which resulted in a semi-annual payment of 50% of the annual incentive in August 2009 and in March 2010, respectively. As of 2010, variable compensation is again paid annually in arrears after publication of our full-year results in or around March each year.

***Variable compensation for performance in 2011 – Paid in March 2012***

For the full year 2011, the Chief Executive Officer earned variable compensation of EUR 1.33 million (USD 1.88 million). The other members of the executive board of management earned aggregate variable compensation of EUR 6.46 million (USD 9.11 million).

The amount of variable compensation is based on our company's performance during the year 2011 and the executives' individual target achievement. The variable compensation was paid in March 2012.

***Variable compensation for performance in 2012 – Paid in March 2013***

For the full year 2012, the Chief Executive Officer earned variable compensation of EUR 2.48 million (USD 3.20 million). The other members of the executive board of management earned aggregate variable compensation of EUR 9.11 million (USD 12.02 million).

The amount of variable compensation is based on our company's performance during the year 2012 and the executives' individual target achievement. The variable compensation was paid in March 2013.

***Long-Term Incentive Stock Options***

The following table sets forth information regarding the number of stock options granted in 2012 under the 2009 Long-Term Incentive Stock-Option Plan to our Chief Executive Officer and the other members of our executive board of management. See "—Share-Based Payment Plans—LTI Stock-Option Plan" above.

The options were granted on 30 November 2012, have an exercise price of EUR 66.56 and become exercisable after five years:

| Name | Long-Term Incentive options granted |
|---|---|
| Carlos Brito – CEO | 527,193 |
| Chris Burggraeve (1) | 0 |
| Miguel Patricio | 82,763 |
| Sabine Chalmers | 55,175 |
| Felipe Dutra | 110,350 |
| Claudio Braz Ferro | 45,979 |
| Tony Milikin | 15,633 |
| Claudio Garcia | 45,979 |
| Jo Van Biesbroeck | 45,979 |
| Francisco Sá(2) | 0 |
| João Castro Neves (2) | 0 |
| Luiz Fernando Edmond | 111,730 |
| Bernardo Pinto Paiva | 55,175 |
| Stuart MacFarlane | 22,989 |
| Michel Doukeris | 26,549 |

Note:

(1) Chris Burggraeve did not receive any LTI options in 2012.
(2) João Castro Neves, Zone President Latin America North, reports to the Board of Directors of Ambev. He and Francisco Sá, Zone President Latin America South, participated in the incentive plans of Companhia de Bebidas das Americas – Ambev that are disclosed separately by Ambev.

***Programs for maintaining consistency of benefits granted and for encouraging global mobility of executives***

In 2012, members of our executive board of management participated in the Exchange program and exchanged approximately 0.36 million Series A Options granted under the November 2008 Exceptional Grant for approximately 0.32 million of our ordinary shares.

In 2012, there were no options granted under the Dividend waiver program for the Executive Board of Management.

***Post-Employment Benefits***

We sponsor various post-employment benefit plans worldwide. These include pension plans, both defined contribution plans and defined benefit plans, and other post-employment benefits. See note 24 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012 for further details on our employee benefits.

*Defined contribution plans.* For defined contribution plans, we pay contributions to publicly or privately administered pension funds or insurance contracts. Once the contributions have been paid, we have no further payment obligation. The regular contribution expenses constitute an expense for the year in which they are due. For 2012, our defined contribution expenses amounted to USD 41 million compared to USD 39 million for 2011.

*Defined benefit plans.* We contribute to 61 defined benefit plans, of which 45 are retirement plans and 16 are medical cost plans. Most plans provide benefits related to pay and years of service. In 2012, the deficit under our post-employment and long-term employee benefit plans increased to USD 3,687 million. In 2013, we expect to contribute approximately USD 270 million to our funded defined benefit plans and USD 84 million to our unfunded defined benefit plans and post-retirement medical plans.

Our executives participate in our pension schemes in either Belgium or their home country. These schemes are in line with predominant market practices in the respective geographic environments.

Our Chief Executive Officer participates in a defined contribution plan. Our annual contribution to his plan amounts to approximately USD 0.22 million. The total amount we had set aside to provide pension, retirement or similar benefits for members of our executive board of management in the aggregate as of 31 December 2012 was USD 2 million, as compared to USD 3 million as of 31 December 2011. See note 32 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012.

**Other Compensation**

We also provide executives with life and medical insurance and perquisites and other benefits that are competitive with market practice in the markets where such executives are employed. In addition, our Chief Executive Officer, for a limited period of time, enjoys certain expatriate perquisites, *i.e.*, a housing allowance (which ended on 1 September 2012) and a schooling allowance.

**Employment Agreements and Termination Arrangements**

Terms of hiring of our executive board of management are included in individual employment agreements. Executives are also required to comply with our policies and codes such as the Code of Business Conduct and Code of Dealing and are subject to exclusivity, confidentiality and non-compete obligations.

The employment agreement typically provides that the executive's eligibility for payment of variable compensation is determined exclusively on the basis of the achievement of corporate and individual targets to be set by us. The specific conditions and modalities of the variable compensation are fixed by us in a separate plan which is approved by the Remuneration Committee.

Termination arrangements are in line with legal requirements and/or jurisprudential practice. The termination arrangements for the members of the executive board of management provide for a termination indemnity of 12 months of remuneration including variable compensation in case of termination without cause. The variable compensation for purposes of the termination indemnity shall be calculated as the average of the variable compensation paid to the executive for the last two years of employment prior to the year of termination. In addition, if we decide to impose upon the executive a non-compete restriction of 12 months, the executive shall be entitled to receive an additional indemnity of six months.

Carlos Brito was appointed to serve as our Chief Executive Officer starting as of 1 March 2006. In the event of termination of his employment other than on the grounds of serious cause, he is entitled to a termination indemnity of 12 months of remuneration including variable compensation as described above. There is no "claw-back" provision in case of misstated financial statements.

**Warrants and Options owned by Executives**

The table below sets forth the number of LTI warrants and matching options owned by the members of our executive board of management in aggregate as of 31 December 2012 under the LTI Warrant Plans, LTI Stock-Option Plan, the Share-Based Compensation Plans and the 2008 Exceptional Grant. Since 2006, LTI warrants were no longer granted to our executive board of management. See "—Share-Based Payment Plans" above.

| Program | Warrants and Options held in aggregate by our executive board of management | Strike price (EUR) | Grant date | Expiry date |
|---|---|---|---|---|
| LTI Warrant Plan 8 | 0 | 18.05 | 11 December 2001 | 10 December 2011 |
| LTI Warrant Plan 12 | 0 | 14.39 | 27 April 2004 | 26 April 2014 |
| LTI Warrant Plan 13 | 0 | 16.93 | 26 April 2005 | 25 April 2015 |
| LTI Stock-Option Plan 2009 | 1,174,417 | 35.90 | 18 December 2009 | 17 December 2019 |
| LTI Stock-Option Plan 2009 | 939,620 | 42.41 | 30 November 2010 | 29 November 2020 |
| LTI Stock-Option Plan 2009 | 967,543 | 44.00 | 30 November 2011 | 29 November 2021 |
| LTI Stock-Option Plan 2009 | 1,319,993 | 66.56 | 30 November 2012 | 29 November 2022 |
| Matching options 2009 | 1,767,099 | 27.06 | 14 August 2009 | 13 August 2019 |
| Matching options 2009 | 80,765 | 20.49 | 6 March 2009 | 5 March 2019 |
| Matching options 2008 | 646,261 | 34.34 | 3 March 2008 | 2 March 2018 |
| Matching options 2008 – Dividend Waiver 09[2] | 317,635 | 33.24 | 1 December 2009 | 2 March 2018 |
| November 2008 Exceptional Grant Options Series A | 1,084,452 | 10.32 | 25 November 2008 | 24 November 2018 |
| November 2008 Exceptional Grant Options Series A | 903,710 | 10.50 | 25 November 2008 | 24 November 2018 |
| November 2008 Exceptional Grant Options Series A – Dividend Waiver 09[2] | 355,280 | 33.24 | 1 December 2009 | 24 November 2018 |
| November 2008 Exceptional Grant Options Series B | 903,710 | 10.50 | 25 November 2008 | 24 November 2023 |
| November 2008 Exceptional Grant Options Series B | 5,277,667 | 10.32 | 25 November 2008 | 24 November 2023 |
| November 2008 Exceptional Grant Options Series B – Dividend Waiver 09[2] | 2,589,811 | 33.24 | 1 December 2009 | 24 November 2023 |
| November 2008 Exceptional Grant Options Series B – Dividend Waiver 11 | 243,901 | 40.35 | 11 July 2011 | 24 November 2023 |
| Matching options 2007 | 513,598 | 33.59 | 2 April 2007 | 1 April 2017 |
| Matching options 2007 – Dividend Waiver 09[2] | 317,713 | 33.24 | 1 December 2009 | 1 April 2017 |
| Matching options 2006 [1] | 238.986 | 24.78 | 27 April 2006 | 26 April 2016 |
| Matching options 2006 – Dividend Waiver 09[2] | 177,792 | 33.24 | 1 December 2009 | 23 April 2016 |

Notes:

(1) In August 2012, Jo Van Biesbroeck exercised 47.438 Matching options 2006.
(2) Options granted under the dividend waiver program. See "—Share-Based Payment Plans."

**Executive Share Ownership**

The table below sets forth the number of our shares owned by the members of the executive board of management as of 25 February 2013:

| Name | Number of our shares held | % of our outstanding shares |
|---|---|---|
| Carlos Brito | (*) | (*) |
| Sabine Chalmers | (*) | (*) |
| Felipe Dutra | (*) | (*) |
| Claudio Garcia | (*) | (*) |
| Claudio Ferro | (*) | (*) |
| Miguel Patricio | (*) | (*) |
| Bernardo Pinto Paiva | (*) | (*) |
| Tony Milikin | (*) | (*) |
| Jo Van Biesbroeck | (*) | (*) |
| Michel Doukeris | (*) | (*) |
| Stuart MacFarlane | (*) | (*) |
| Francisco Sá | (*) | (*) |
| João Castro Neves | (*) | (*) |
| Luiz Fernando Edmond | (*) | (*) |
| **TOTAL** | 10,833,002 | <1% |

Note:

(*) Each member of our executive board of management owns less than 1% of our outstanding shares as of 25 February 2013.

## C. BOARD PRACTICES

### General

Our directors are appointed by our shareholders' meeting, which sets their remuneration and term of mandate. Their appointment is published in the Belgian Official Gazette (*Moniteur belge*). No service contract is concluded between us and our directors with respect to their Board mandate. Our Board also may request a director to carry out a special mandate or assignment. In such case a special contract may be entered into between us and the respective director. For details of the current directors' terms of office, see "—A. Directors and Senior Management—Board of Directors." We do not provide pensions, medical benefits or other benefit programs to directors.

#### *August A. Busch IV Consulting Agreement*

In connection with the Anheuser-Busch acquisition, we entered into a consulting agreement with Mr. Busch IV which became effective as of the closing of the Anheuser-Busch merger and will continue until 31 December 2013. In his role as consultant, Mr. Busch IV will, at the request of our Chief Executive Officer, provide advice to us on Anheuser-Busch new products and new business opportunities; review Anheuser-Busch marketing programs; meet with retailers, wholesalers and key advertisers of Anheuser-Busch; attend North American media events; provide advice with respect to Anheuser-Busch's relationship with charitable organizations and the communities in which it operates; and provide advice on the taste, profile, and characteristics of the Anheuser-Busch malt-beverage products. See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Consulting Agreement." The end of the mandate of Mr. Busch IV as director of our company at the annual shareholders meeting of 26 April 2011 has no impact on the consulting agreement.

### Information about Our Committees

#### *General*

As of 1 January 2012, our Board is assisted by four committees: the Audit Committee, the Finance Committee, the Remuneration Committee and the Nomination Committee.

The existence of the Committees does not affect the responsibility of our Board. Board committees meet to prepare matters for consideration by our Board. By exception to this principle, (i) the Remuneration Committee may make decisions on individual compensation packages, other than with respect to our Chief Executive Officer and our executive board of management (which are submitted to our Board for approval), and on performance against targets and (ii) the Finance Committee may make decisions on matters specifically delegated to it under our Corporate Governance Charter, in each case without having to refer to an additional Board decision. Each of our Committees operates under typical rules for such committees under Belgian law, including the requirement that a majority of the members must be present for a valid quorum and decisions are taken by a majority of members present.

***The Audit Committee***

The Audit Committee consists of a minimum of three voting members. The Audit Committee's Chairman and the Committee members are appointed by the Board from among the non-executive directors. The Chairman of the Audit Committee is not the Chairman of the Board. The Chief Executive Officer, Chief Legal and Corporate Affairs Officer and Chief Financial Officer are invited to the meetings of the Audit Committee, unless the Chairman or a majority of the members decide to meet in closed session.

The current members of the Audit Committee are Olivier Goudet (Chairman), Mark Winkelman and Kees Storm. Mark Winkelman succeeded Peter Harf who retired from the Board and the Audit Committee as of 25 April 2012. As of the same date, Kees Storm succeeded Peter Harf as Chairman of our Board and Olivier Goudet replaced Kees Storm as Chairman of the Audit Committee. Each member of our Audit Committee is an independent director according to our Corporate Governance Charter (see "—A. Directors and Senior Management—Board of Directors—Role and Responsibilities, Composition, Structure and Organization") and under Rule 10A-3 under the Exchange Act.

Our Board of Directors has determined that Kees Storm and Olivier Goudet are each "audit committee financial experts" as defined in Item 16A of Form 20-F under the Exchange Act.

The Audit Committee assists our Board in its responsibility for oversight of (i) the integrity of our financial statements, (ii) our compliance with legal and regulatory requirements, (iii) the statutory auditors' qualification and independence, and (iv) the performance of the statutory auditors and our internal audit function. The Audit Committee is entitled to review information on any point it wishes to verify, and is authorized to acquire such information from any of our employees. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the statutory auditor. It also establishes procedures for confidential complaints regarding questionable accounting or auditing matters. It is also authorized to obtain independent advice, including legal advice, if this is necessary for an inquiry into any matter under its responsibility. It is entitled to call on the resources that will be needed for this task. It is entitled to receive reports directly from the statutory auditor, including reports with recommendations on how to improve our control processes.

The Audit Committee holds as many meetings as necessary with a minimum of four per year. The Committee holds the majority of its physical meetings each year in Belgium. Paul Cornet attends Audit Committee meetings as a non-voting observer.

***The Finance Committee***

The Finance Committee consists of at least three, but no more than six, members appointed by the Board. The Board appoints a Chairman and, if deemed appropriate, a Vice-Chairman from among the Finance Committee members. The Chief Executive Officer and the Chief Financial Officer are invited *ex officio* to the Finance Committee meetings unless explicitly decided otherwise. Other employees are invited on an *ad hoc* basis as deemed useful.

The current members of the Finance Committee are Stéfan Descheemaeker, Alexandre Van Damme (Chairman), Jorge Paulo Lemann, Roberto Moses Thompson Motta and Mark Winkelman.

The Corporate Governance Charter requires the Finance Committee to meet at least four times a year and as often as deemed necessary by its Chairman or at least two of its members. In 2012, the Finance Committee met only three times. The Committee holds the majority of its physical meetings each year in Belgium.

The Finance Committee assists the Board in fulfilling its oversight responsibilities in the areas of corporate finance, risk management, Treasury controls, mergers and acquisitions, tax and legal, pension plans, financial communication and stock market policies and all other related areas as deemed appropriate.

***The Remuneration Committee***

The Remuneration Committee consists of three members appointed by the Board, all of whom will be non-executive directors. The Chairman of the Committee will be a representative of the controlling shareholders and the other two members will meet the requirements of independence as established in our Corporate Governance Charter and by the Belgian Company Law. The Chairman of our Remuneration Committee would not be considered independent under NYSE rules, and therefore our Remuneration Committee would not be in compliance with the NYSE Corporate Governance Standards for domestic issuers in respect of independence of compensation committees. The Chief Executive Officer and the Chief People and Technology Officer are invited *ex officio* to the meetings of the Committee unless explicitly decided otherwise.

The current members of the Remuneration Committee are Marcel Herrmann Telles (Chairman), Olivier Goudet and Mark Winkelman.

The Committee meets at least four times a year, and more often if required, and can be convoked by its Chairman or at the request of at least two of its members. The Committee holds the majority of its physical meetings each year in Belgium.

The Remuneration Committee's principal role is to guide the Board with respect to all its decisions relating to the remuneration policies for the Board, the Chief Executive Officer and the executive board of management and on their individual remuneration packages. The Committee ensures that the Chief Executive Officer and members of the executive board of management are incentivized to achieve, and are compensated for, exceptional performance. The Committee also ensures the maintenance and continuous improvement of our company's compensation policy which will be based on meritocracy with a view to aligning the interests of its employees with the interests of all shareholders. In certain exceptional circumstances, the Remuneration Committee or its appointed designees may grant limited waivers from lock-up requirements provided that adequate protections are implemented to ensure that the commitment to hold shares remains respected until the original termination date.

***The Nomination Committee***

The Nomination Committee consists of five members appointed by the Board. The five members include the Chairman of the Board and the Chairman of the Remuneration Committee. Four of the five Committee members are representatives of the controlling shareholders. These four members of our Nomination Committee would not be considered independent under NYSE rules, and therefore our Nomination Committee would not be in compliance with the NYSE Corporate Governance Standards for domestic issuers in respect of independence of nominating committees. The Chief Executive Officer, the Chief People and Technology Officer and the Chief Legal and Corporate Affairs Officer are invited *ex officio* to attend the meetings of the Nomination Committee unless explicitly decided otherwise.

The current members of the Nomination Committee are Carlos Alberto Sicupira, Grégoire de Spoelberch, Kees Storm, Marcel Herrmann Telles (Chairman) and Alexandre Van Damme. Kees Storm succeeded Peter Harf, who retired from the Board and the Nomination Committee as of 25 April 2012.

The Nomination Committee's principal role is to guide the Board succession process. The Committee identifies persons qualified to become Board members and recommends director candidates for nomination by the Board and election at the shareholders' meeting. The Committee also guides the Board with respect to all its decisions relating to the appointment and retention of key talent within our company.

The Committee meets at least two times a year, and more, if required. The Committee holds the majority of its physical meetings each year in Belgium.

## D. EMPLOYEES

As of 31 December 2012, we employed approximately 118,000 people.

### Overview of Employees per Zone

The table below sets out the number of full-time employees at the end of each relevant period in our business zones.

| | As of 31 December | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| North America | 17,136 | 17,924 | 18,264 |
| Latin America North | 37,789 | 33,076 | 32,098 |
| Latin America South | 8,787 | 8,641 | 8,040 |
| Western Europe | 8,067 | 7,832 | 7,989 |
| Central & Eastern Europe | 9,510 | 10,551 | 10,249 |
| Asia Pacific | 34,455 | 36,046 | 35,475 |
| Global Export & Holding Companies | 1,888 | 2,208 | 2,198 |
| **Total** | **117,632** | **116,278** | **114,313** |

### Employee Compensation and Benefits

To support our culture that recognizes and values results, we offer employees competitive salaries benchmarked to fixed mid-market local salaries, combined with variable incentive schemes based on individual performance and performance of the business entity in which they work. Senior employees above a certain level are eligible for the Share-Based Compensation Plan. See "B. Compensation—Share-Based Payment Plans—Share-Based Compensation Plan" and "B. Compensation—Compensation of Directors and Executives—Executive Board of Management." Depending on local practices, we offer employees and their family members pension plans, life insurance, medical, dental and optical insurance, death-in-service insurance, and illness and disability insurance. Some of our countries have tuition reimbursement plans and employee assistance programs.

### Labor Unions

Many of our hourly employees across our business zones are represented by unions. Generally, relationships between us and the unions that represent our employees are good. See "D. Risk Factors—Risks Relating to Our Business—We are exposed to labor strikes and disputes that could lead to a negative impact on our costs and production level."

In Western Europe, collective bargaining occurs at the national level in Belgium and the Netherlands, and at the local level in all other countries. The degree of membership in unions varies from country to country, with a low proportion of membership in the United Kingdom and the Netherlands, and a high proportion of membership in Belgium and Germany.

In the United States, a majority of our hourly employees at breweries are represented by the International Brotherhood of Teamsters. Our collective bargaining agreements covering employees at all 12 U.S. breweries include annual wage increases and run through 28 February 2014.

In Canada, nearly two-thirds of the total workforce within brewery operations, logistics, office administration and sales is unionized with collective bargaining agreements ranging in duration from three to seven years.

In Brazil, all of our employees are represented by labor unions, but less than 5% are actually members of those unions. The number of administrative and distribution employees who are members of labor unions is not significant. Our collective bargaining agreements are negotiated separately for each facility or distribution center and have a term of one year. We usually enter into new collective bargaining agreements on or prior to the expiration of the existing agreements.

### E. SHARE OWNERSHIP

For a discussion of the share ownership of our directors and executives, as well as arrangements involving our employees in our capital, see "Item 6. Directors, Senior Management and Employees—B. Compensation."

## ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

### A. MAJOR SHAREHOLDERS

#### Shareholding Structure

The following table shows our shareholding structure based on the notifications made to the Belgian Financial Services and Markets Authority (the "**FSMA**") (previously and until 1 April 2011, the Belgian Banking, Finance and Insurance Commission (the "**CBFA**")) and to us on the date specified below by the shareholders specified below in accordance with Article 6 of the Belgian Law of 2 May 2007 on the disclosure of significant shareholdings in listed companies and in accordance with Article 74 of the Belgian Law of 1 April 2007 on public take-over bids or information based on public filings with the U.S. Securities and Exchange Commission.

The first seven entities mentioned in the table act in concert (see "—Shareholders' Arrangements") and hold 839,243,967 of our shares, representing 52.23% of the voting rights attached to our shares outstanding as of 31 December 2012. Under Belgian law, shareholders are required to notify us as soon as the amount of securities held giving voting right exceeds or falls below a 3% threshold.

All of our shares have the same voting rights.

| Major shareholders | Number of our shares held | % of the voting rights attached to our outstanding shares held | As of date in notification or SEC filing |
|---|---|---|---|
| Stichting Anheuser-Busch InBev, a *stichting* incorporated under Dutch law[1][2] | 663,074,830 | 41.27% | 31 December 2012 |
| Eugénie Patri Sébastien S.A., a company incorporated under Luxembourg law affiliated to the Stichting that it jointly controls with BRC S.à.R.L. [2][3] | 130,234,791 | 8.11% | 31 December 2012 |
| Rayvax Société d'Investissement NV/SA, a company incorporated under Belgian law | 10 | <0.01% | 31 December 2012 |
| Fonds Voorzitter Verhelst SPRL, a company with a social purpose incorporated under Belgian law | 6,997,665 | 0.44% | 31 December 2012 |
| Fonds InBev-Baillet Latour SPRL, a company with a social purpose incorporated under Belgian law | 5,485,415 | 0.34% | 31 December 2012 |
| BRC S.à.R.L., a company incorporated under Luxembourg law, affiliated to the Stichting that it jointly controls with Eugénie Patri Sébastien S.A. [2][4] | 32,966,462 | 2.05% | 31 December 2012 |
| Sébastien Holding NV/SA, a company incorporated under Belgian law, affiliated to Rayvax Société d'Investissement NV/SA, its parent company | 484,794 | 0.03% | 31 December 2012 |
| Anheuser-Busch InBev SA/NV | 4,190,715 | 0.26% | 31 December 2012 |
| BrandBrew S.A., a company incorporated under Luxembourg law and a subsidiary of Anheuser-Busch InBev | 519,322 | 0.03% | 31 December 2012 |
| BlackRock, Inc. | 48,302,036 | 3.01% | 4 March 2013 |

Notes:

(1) See section "—Controlling Shareholder." By virtue of their responsibilities as directors of the Stichting, Stéfan Descheemaeker, Paul Cornet de Ways Ruart, Grégoire de Spoelberch, Alexandre Van Damme, Marcel Herrmann Telles, Jorge Paulo Lemann, Roberto Moses Thompson Motta and Carlos Alberto Sicupira may be deemed, under the rules of the SEC, to be beneficial owners of our ordinary shares held by the Stichting. However, each of these individuals disclaims such beneficial ownership in such capacity.

(2) See section "—Shareholders' Arrangements."
(3) By virtue of their responsibilities as directors of Eugénie Patri Sébastien S.A., Stéfan Descheemaeker, Paul Cornet de Ways Ruart, Grégoire de Spoelberch and Alexandre Van Damme may be deemed, under the rules of the SEC, to be beneficial owners of our ordinary shares held by Eugénie Patri Sébastien S.A. However, each of these individuals disclaims such beneficial ownership in such capacity.
(4) Marcel Herrmann Telles, Jorge Paulo Lemann and Carlos Alberto Sicupira have disclosed to us that they control BRC S.à.R.L and as a result, under the rules of the SEC, they are deemed to be beneficial owners of our ordinary shares held by BRC S.à.R.L. By virtue of his responsibility as a director of BRC S.à.R.L, Roberto Moses Thompson Motta may also be deemed, under the rules of the SEC, to be the beneficial owner of our ordinary shares held by BRC S.à.R.L. However, Roberto Moses Thompson Motta disclaims such beneficial ownership in such capacity.

Since 1 January 2010 and until 31 December 2012, there have been no significant changes for the first seven entities mentioned in the table above. Since 1 January 2010 and until 31 December 2012, there have been no significant changes for either Anheuser-Busch InBev SA/NV or BrandBrew S.A. On 4 March 2013, BlackRock, Inc. notified us that its shareholdings exceeded 3% of our voting rights. Prior to that date, we had not received notice regarding the shareholdings of BlackRock, Inc. related to the period from 1 January 2010 until 4 March 2013.

**U.S. Holders of Record**

As a number of our shares are held in dematerialized form, we are not aware of the identity of all our shareholders. As of 31 December 2012, we had 96,081,740 registered shares held by 603 record holders in the United States, representing approximately 6% of the voting rights attached to our shares outstanding as of such date. As of 31 December 2012, we also had 96,081,740 ADSs outstanding, each representing one ordinary share.

**Controlling Shareholder**

Our controlling shareholder is the Stichting, a foundation (*stichting*) organized under the laws of the Netherlands which represents an important part of the interests of the founding Belgian families of Interbrew (mainly represented by Eugénie Patri Sébastien S.A.) and the interests of the Brazilian families which were previously the controlling shareholders of Ambev (represented by BRC S.à.R.L).

As of 31 December 2012, the Stichting owned 663,074,830 of our shares, which represented a 41.27% voting interest in us based on the number of our shares outstanding as of 31 December 2012. The Stichting and certain other entities acting in concert with it (see "—Shareholders' Arrangements" below) held, in the aggregate, 52.23% of our shares based on the number of our shares outstanding on 31 December 2012. The Stichting is governed by its bylaws and its conditions of administration.

**Shareholders' Arrangements**

In connection with the combination of Interbrew with Ambev in 2004, BRC S.à.R.L, Eugénie Patri Sébastien S.A., Rayvax Société d'Investissement NV/SA and the Stichting entered into a shareholders' agreement on 2 March 2004 which provides for BRC S.à.R.L and Eugénie Patri Sébastien S.A. to hold their interests in us through the Stichting (except for approximately 130 million of our shares that are held directly by Eugénie Patri Sébastien S.A. and approximately 33 million of our shares that are held directly by BRC S.à.R.L as of 31 December 2012 (see "—Shareholding Structure") and addresses, among other things, certain matters relating to the governance and management of the Stichting and Anheuser-Busch InBev SA/NV as well as the transfer of the Stichting certificates. As of 27 August 2012, BRC S.à.R.L held 331,537,415 class B Stichting certificates (indirectly representing 331,537,415 of our shares) and Eugénie Patri Sébastien S.A. held 331,537,415 class A Stichting certificates (indirectly representing 331,537,415 of our shares). The shareholders' agreement was amended and restated on 9 September 2009 and has been filed as Exhibit 3.1 to this Form 20-F.

Pursuant to the terms of the shareholders' agreement, BRC S.à.R.L and Eugénie Patri Sébastien S.A. jointly and equally exercise control over the Stichting and those of our shares held by the Stichting. Among other things, BRC S.à.R.L and Eugénie Patri Sébastien S.A. have agreed that the Stichting will be managed by an eight-member board of directors and that each of BRC S.à.R.L and Eugénie Patri Sébastien S.A. will have the right to appoint four directors to the Stichting board of directors. At least seven of the eight Stichting directors must be present in order to constitute a quorum of the Stichting board, and any action to be taken by the Stichting board of directors will, subject to certain qualified majority conditions, require the approval of a majority of the directors present, including at least two directors appointed by BRC S.à.R.L and two appointed by Eugénie Patri Sébastien S.A. Subject to certain exceptions, all decisions of the Stichting with respect to our shares held by it, including how such shares will be voted at our shareholders' meetings, will be made by the Stichting board of directors.

The shareholders' agreement requires the Stichting board of directors to meet prior to each of our shareholders' meetings to determine how those of our shares held by the Stichting will be voted.

The shareholders' agreement as amended provides for restrictions on the ability of BRC S.à.R.L and Eugénie Patri Sébastien S.A. to transfer their Stichting certificates (and consequently their shares in us held through the Stichting).

In addition, the shareholders' agreement requires Eugénie Patri Sébastien S.A., BRC S.à.R.L and their permitted transferees under the shareholders' agreement whose shares in us are not held through the Stichting to vote their shares in us in the same manner as our shares held by the Stichting and to effect any transfers of their shares in us in an orderly manner of disposal that does not disrupt the market for our shares and in accordance with any conditions established by us to ensure such orderly disposal. In addition, under the shareholders' agreement, Eugénie Patri Sébastien S.A. and BRC S.à.R.L agree not to acquire any shares of Ambev's capital stock, subject to limited exceptions.

Pursuant to the shareholders' agreement, the Stichting board of directors proposes to our shareholders' meeting for approval the nomination of eight directors to our Board of Directors, among which each of BRC S.à.R.L and Eugénie Patri Sébastien S.A. have the right to nominate four directors. In addition, the Stichting board of directors proposes the nomination of four to six directors to our Board who are independent of shareholders.

The shareholders' agreement will remain in effect for an initial term of 20 years starting from 27 August 2004. Thereafter, it will be automatically renewed for successive terms of ten years each unless, not later than two years prior to the expiration of the initial or any successive ten-year term, either BRC S.à.R.L or Eugénie Patri Sébastien S.A. notifies the other of its intention to terminate the shareholders' agreement.

In addition, the Stichting has entered into a voting agreement with Fonds InBev-Baillet Latour SPRL and Fonds Voorzitter Verhelst SPRL, a copy of which has been filed as Exhibit 3.2 to this Form 20-F. This agreement provides for consultations between the three bodies before any of our shareholders' meetings to decide how they will exercise the voting rights attached to our shares. Under this voting agreement, consensus is required for all items that are submitted to the approval of any of our shareholders' meetings. If the parties fail to reach a consensus, the Fonds InBev-Baillet Latour SPRL and Fonds Voorzitter Verhelst SPRL will vote their shares in the same manner as the Stichting. This agreement will expire on 16 October 2016, but is renewable.

## B. RELATED PARTY TRANSACTIONS

### AB InBev Group and Consolidated Entities

We engage in various transactions with affiliated entities which form part of the consolidated AB InBev Group. These transactions include, but are not limited to: (i) the purchase and sale of raw material with affiliated entities, (ii) entering into distribution, cross-licensing, transfer pricing, indemnification, service and other agreements with affiliated entities, (iii) intercompany loans and guarantees, with affiliated entities, (iv) import agreements with affiliated entities, such as the import agreement under which Anheuser-Busch imports our European brands into the United States, and (v) royalty agreements with affiliated entities, such as our royalty agreement with one of our United Kingdom subsidiaries related to the production and sale of our Stella Artois brand in the United Kingdom. Such transactions between Anheuser-Busch InBev SA/NV and our subsidiaries are not disclosed in our consolidated financial statements as related party transactions because they are eliminated on consolidation. A list of our principal subsidiaries is shown in note 35 "AB InBev Companies" to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012.

Unrealized gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of our interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. Transactions with associates and jointly controlled entities are discussed further below.

Where these are eliminated on consolidation, transactions between Anheuser-Busch InBev SA/NV and our subsidiaries are not disclosed in our consolidated financial statements as related party transactions. A list of our principal subsidiaries is shown in note 35 "AB InBev Companies" to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012.

### Transactions with Directors and Executive Board of Management Members (Key Management Personnel)

Total compensation of our directors and executive board of management included in our income statement for 2012 set out below can be detailed as follows:

| | Year ended 31 December 2012 | |
|---|---|---|
| | Directors | Executive Board Management |
| | *(USD million)* | |
| Short-term employee benefits | 3 | 25 |
| Post-employment benefits | — | 2 |
| Share-based payments | 3 | 51 |
| **Total** | **6** | **78** |

In addition to short-term employee benefits (primarily salaries), our executive board of management members are entitled to post-employment benefits. More particularly, members of the executive board of management participate in the pension plan of their respective country. See also note 24 "Employee benefits" and note 32 "Related parties" to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012. In addition, key management personnel are eligible for our Share-Based Payment Plan and/or our exchange of share ownership program. See also "Item 6. Directors, Senior Management and Employees—B. Compensation" and note 25 "Share-based payments" to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012.

Directors' compensation consists mainly of directors' fees. Key management personnel were not engaged in any transactions with our company and did not have any significant outstanding balances with our company.

***Loans to directors***

Under the terms of our Corporate Governance Charter, we are prohibited from making loans to our directors or members of our executive board of management. A ten million Belgian franc (USD 331,235) loan was granted by us to Stéfan Descheemaeker, bearing no interest. The loan was part of the compensation package awarded to Mr. Descheemaeker when he joined us as Vice-President Industrial Strategy and Partnerships. The repayment schedule for the loan is ten annual payments of EUR 24,789 (USD 32,707) from 2001. The maximum amount outstanding in the last three financial years was EUR 24,789 (USD 32,707) in 2010. As of the date of this Form 20-F, there are no amounts outstanding and the loan has been repaid in full.

***Consulting Agreement***

In connection with the 2008 Anheuser-Busch merger, we and Mr. Busch IV entered into a consulting agreement that will continue until 31 December 2013, substantially on the terms described below. In his role as consultant, Mr. Busch IV will, at the request of our Chief Executive Officer, provide advice to us on Anheuser-Busch new products and new business opportunities; review Anheuser-Busch marketing programs; meet with retailers, wholesalers and key advertisers of Anheuser-Busch; attend North American media events; provide advice with respect to Anheuser-Busch's relationship with charitable organizations and the communities in which it operates; and provide advice on the taste, profile and characteristics of the Anheuser-Busch malt-beverage products.

Under the terms of the consulting agreement, as contemplated, at the time of the Anheuser-Busch acquisition, Mr. Busch IV received a lump sum cash payment equal to USD 10,350,000, less any applicable withholding. During the term of the consulting agreement, Mr. Busch IV will be paid a fee of approximately USD 120,000 per month. In addition, Mr. Busch IV will be provided with an appropriate office in St. Louis, Missouri, administrative support and certain employee benefits that are materially similar to those provided to full-time salaried employees of Anheuser-Busch. He was also provided with personal security services through 31 December 2011 (in St. Louis, Missouri) in accordance with Anheuser-Busch's past practices including an income tax gross-up and with complimentary tickets to Anheuser-Busch-sponsored events. Mr. Busch IV is also eligible for a gross-up payment under Section 280G of the U.S. Internal Revenue Code of 1986, as amended (estimated to be approximately USD 11.1 million), on various change-in-control payments and benefits to which he is entitled in connection with the Anheuser-Busch merger. Such Code Section 280G gross-up payments are payments which, after the imposition of certain taxes, will equal the excise tax imposed on such change-of-control payments and benefits to which Mr. Busch IV is entitled.

Mr. Busch IV is subject to restrictive covenants relating to non-competition and non-solicitation of employees and customers which are in effect for the duration of the consulting agreement and a confidentiality covenant. The parties are subject to a mutual non-disparagement covenant.

If terminated by reason of a notice given by Mr. Busch IV, he would no longer be entitled to any rights, payments or benefits under the consulting agreement (with the exception of accrued but unpaid consulting fees, business expense reimbursements, any Code Section 280G gross-up payment, indemnification by us, and continued office and administrative support for 90 days following termination of the agreement) and the non-compete and non-solicitation restrictive covenants would survive for two years following termination of the consulting agreement (but not beyond 31 December 2013). If terminated by reason of a notice given by us for any reason other than for "cause," Mr. Busch IV would continue to have all rights (including the right to payments and benefits) provided for in the consulting agreement and will continue to be bound by the non-compete and non-solicitation restrictive covenants through 31 December 2013.

Mr. Busch IV will generally be indemnified by us from and against all claims arising from the performance of his duties as a consultant for the term of the consulting agreement. In addition, we and Mr. Busch IV have executed a mutual release of claims regarding all pre-closing matters.

The mandate of Mr. Busch IV as a director expired in April 2011.

**Jointly Controlled Entities**

We report our interests in jointly controlled entities using the line-by-line reporting format for proportionate consolidation. Significant interests we hold in joint ventures include two distribution entities in Canada, two entities in Brazil, one in China and one in the United Kingdom. None of these joint ventures are material to us. Aggregate amounts of our interests in such entities are as follows:

| | As of 31 December 2012 |
|---|---|
| | *(USD million)* |
| Non-current assets | 129 |
| Current assets | 72 |
| Non-current liabilities | 154 |
| Current liabilities | 120 |
| Result from operations | 18 |
| Profit attributable to equity holders | 9 |

**Transactions with Associates**

Our transactions with associates were as follows:

| | Year ended 31 December 2012 |
|---|---|
| | *(USD million)* |
| Gross profit | 232 |
| Current assets | 14 |
| Current liabilities | 9 |

Our transactions with associates primarily consist of sales to distributors in which we have a non-controlling interest.

**Transactions with Pension Plans**

Our transactions with pension plans mainly consisted of USD 11 million other income from pension plans in the United States and USD 5 million other income from pension plans in Brazil.

**Transactions with Government-Related Entities**

We have no material transactions with government-related entities.

**Ambev Special Goodwill Reserve**

As a result of the merger of InBev Brasil into Ambev in July 2005, Ambev acquired tax benefits resulting from the partial amortization of the special premium reserve pursuant to article 7 of the Normative Ruling No. 319/99 of the CVM, the Brazilian Securities Commission. Such amortization will be carried out within the ten years following the merger. As permitted by Normative Ruling No. 319/99, the Protocol and Justification of the Merger, entered into between us, Ambev and InBev Brasil on 7 July 2005, established that 70% of the goodwill premium, which corresponded to the tax benefit resulting from the amortization of the tax goodwill derived from the merger, would be capitalized in Ambev to the benefit of us, with the remaining 30% being capitalized in Ambev without the issuance of new shares to the benefit of all shareholders. Since 2005, pursuant to the Protocol and Justification of the Merger, Ambev has carried out, with shareholders' approval, capital increases through the partial capitalization of the goodwill premium reserve. Accordingly, two wholly-owned subsidiaries of Anheuser-Busch InBev (which

hold our interest in Ambev) have annually subscribed to Ambev shares corresponding to 70% of the goodwill premium reserve (and Ambev minority shareholders subscribed shares pursuant to preferred subscription right under Brazilian law) and the remaining 30% of the tax benefit was capitalized without issuance of new shares to the benefit of all Ambev shareholders. The Protocol and Justification of the Merger also provides, among other matters, that we shall indemnify Ambev for any undisclosed liabilities of InBev Brasil.

In December 2011, Ambev received a tax assessment from the *Secretaria da Receita Federal do Brasil* related to the goodwill amortization resulting from InBev Brasil's merger referred to above. See "Item 8. Financial Information—A. Consolidated Financial Statements and Other Financial Information—Legal and Arbitration Proceedings— Ambev and its Subsidiaries—Special Goodwill Reserve" for further information. Effective 21 December 2011, we entered into an agreement with Ambev formalizing the arrangement whereby we shall reimburse Ambev the amount proportional to the benefit received by us pursuant to the merger protocol, as well as the respective costs.

**Ambev Labatt Indemnification Agreement**

In the context of the U.S. Department of Justice's antitrust review of the Anheuser-Busch acquisition, we entered into an indemnification agreement with Ambev on 13 November 2008, pursuant to which we agreed to indemnify Ambev under certain circumstances arising from the perpetual license of Labatt branded beer to KPS Capital Partners, LP for consumption in the United States and the interim supply of Labatt branded beer to KPS Capital Partners, LP for consumption in the United States.

**Ambev Stock Swap Merger**

On 7 December 2012, Ambev announced its intention to propose for deliberation by its shareholders, at an extraordinary general shareholders' meeting to be held in the first half of 2013, a corporate restructuring to combine Ambev's current dual-class capital structure comprised of voting common shares and non-voting preferred shares into a new, single-class capital structure comprised exclusively of voting common shares. The purpose of the proposed restructuring is to simplify Ambev's corporate structure and improve its corporate governance with a view to increasing liquidity for all shareholders, eliminating certain administrative, financial and other costs and providing more flexibility for management of Ambev's capital structure.

If approved, the proposed corporate restructuring will be implemented by means of a stock swap merger under the Brazilian Corporation Law (*incorporação de ações*) of Ambev with Ambev S.A. (formerly InBev Participações Societárias S.A.), which is currently a non-reporting, privately-held Brazilian corporation with no business operations (the "**Ambev Stock Swap Merger**"). We currently own, indirectly, 100% of the shares of Ambev S.A. Per the terms of the proposed Ambev Stock Swap Merger, all the issued and outstanding shares of Ambev (including in the form of ADRs) not held by Ambev S.A. shall be exchanged for newly-issued common shares (some in the form of ADRs) of Ambev S.A. if the transaction is approved by the required shareholder vote. Upon consummation and as a result of the Ambev Stock Swap Merger, Ambev will become a wholly-owned subsidiary of Ambev S.A. and our indirect ownership of Ambev S.A. will be reduced to 61.9%.

The exchange ratio for the Ambev Stock Swap Merger will be such that equal value shall be ascribed to each common and preferred share of Ambev, as a result of which the equity stake that each shareholder of Ambev will hold in Ambev S.A. after the Ambev Stock Swap Merger shall be the same as the equity stake that each such shareholder held in Ambev prior to the transaction.

Following the Ambev Stock Swap Merger and as a result thereof, all shareholders of Ambev will receive in exchange for their Ambev shares newly-issued common shares of Ambev S.A. that will confer to the holders the same rights and privileges currently conferred by the common shares of Ambev, including full voting rights and the right to be included in a change-of-control tender offer under the Brazilian Corporation Law that ensures that holders of common stock are offered 80% of the price per share paid to a selling controlling shareholder in a change-of-control transaction.

In addition, the bylaws of Ambev S.A. will be substantially identical to Ambev's current bylaws, except that:

- Ambev S.A.'s minimum mandatory dividend shall be 40% of adjusted net income, as compared to 35% for Ambev; and
- Ambev S.A.'s board of directors shall at all times include two independent members, as compared to no similar requirement for Ambev's board of directors.

After the Ambev Stock Swap Merger, at which point Ambev will have become a wholly-owned subsidiary of Ambev S.A., Ambev and certain of Ambev's wholly-owned subsidiaries shall be subject with an upstream merger with and into Ambev S.A.

Special voting procedures for minority shareholder protection will be adopted at the Ambev extraordinary general shareholders' meeting to ensure that the transaction will be implemented only if both the minority holders of the Ambev common and preferred shares, as separate classes and without interference from Ambev's controlling shareholders, are each in favor of the transaction. The Ambev Stock Swap Merger will be approved only if a majority of the Ambev common shares present at the extraordinary general shareholders' meeting (that are not held by Ambev's controlling shareholders or their affiliates) vote in favor of the transaction and if a majority of the Ambev preferred shares at the extraordinary general shareholders' meeting (that are not held by Ambev's controlling shareholders or their affiliates) have not rejected the Ambev Stock Swap Merger.

The implementation of the Ambev Stock Swap Merger is subject to the approval of Ambev's extraordinary general shareholders' meeting that will deliberate on the matter, the negotiation of a stock swap merger agreement under Brazilian Corporation Law (*protocolo de incorporação*) and obtaining the required registrations from the competent authorities.

## ITEM 8. FINANCIAL INFORMATION

### A. CONSOLIDATED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

**Consolidated Financial Statements.**

See "Item 18. Financial Statements." For a discussion of our export sales, see "Item 5. Operating and Financial Review."

**Legal and Arbitration Proceedings**

Litigation is subject to uncertainty and we and each of our subsidiaries named as a defendant believe, and have so been advised by counsel handling the respective cases, that we have valid defenses to the litigation pending against us, as well as valid bases for appeal of adverse verdicts, if any. All such cases are, and will continue to be, vigorously defended. However, we and our subsidiaries may enter into settlement discussions in particular cases if we believe it is in our best interests to do so. Except as set forth herein, there have been no governmental, judicial or arbitration proceedings (including any such proceedings which are pending or threatened against us or our subsidiaries of which we are aware) during a period between 1 January 2012 and the date of this Form 20-F which may have, or have had in the recent past, significant effects on our financial position and profitability.

***Anheuser-Busch InBev SA/NV***

**Grupo Modelo Transaction**

On 29 June 2012, we announced an agreement with Grupo Modelo agreeing to acquire the remaining stake in Grupo Modelo that we do not already own for USD 9.15 per share in cash in a transaction valued at USD 20.1 billion.

On 31 January 2013, we announced that the DOJ had filed an action seeking to block the proposed combination between us and Grupo Modelo. On 8 February 2013, we filed a memorandum with the United States District Court for the District of Columbia in support of Constellation's and Crown Imports' Motion to Intervene as parties to the antitrust complaint filed by the DOJ. Grupo Modelo also joined in the filing.

On 14 February 2013, we and Constellation announced a revised agreement that establishes Crown Imports as the number three producer and marketer of beer in the United States through a complete divestiture of Grupo Modelo's U.S. business and our agreement to sell Compañía Cervecera de Coahuila, Grupo Modelo's state-of-the-art brewery in Piedras Negras, Mexico, and grant perpetual brand licenses to Constellation for USD 2.9 billion.

Thereafter, on 20 February 2013, we announced that we, Grupo Modelo, Constellation and Crown Imports were engaged in discussions with the DOJ seeking to resolve the DOJ's litigation challenging our proposed combination with Grupo Modelo. In connection with such discussions, the parties and the DOJ jointly approached the court to request a stay of all litigation proceedings until 9 April 2013, and the court approved the request. There can be no assurance that the discussions will be successful.

On 22 March 2013, an action was filed in the U.S. District Court for the Northern District of California by nine consumers, also seeking to enjoin the proposed combination between us and Grupo Modelo. Even if we, Grupo Modelo, Constellation and Crown Imports resolve the litigation with the DOJ, the court in this private action could enjoin the parties from completing the combination with Grupo Modelo, or could further delay it. We intend to defend against it vigorously.

**Cerveceria Bucanero Trademark Claim**

In 2009, we received notice of a claim purporting to be made under the Helms-Burton Act relating to the use of a trademark by Cerveceria Bucanero S.A., which is alleged to have been confiscated by the Cuban government and trafficked by us through our ownership and management of Cerveceria Bucanero S.A. Although we have attempted to review and evaluate the validity of the claim, due to the uncertain underlying circumstances, we are currently unable to express a view as to the validity of such claims, or as to the standing of the claimants to pursue them.

**German Antitrust Investigation**

In August 2011, the German Federal Cartel Office (*Bundeskartellamt*) launched an investigation against several breweries and retailers in Germany in connection with an allegation of anticompetitive vertical price maintenance by breweries vis-à-vis their trading partners in Germany. Depending on the outcome of the investigation, we may face fines. We are taking the appropriate steps in the pending proceedings but have not recorded any provisions for any potential fines at this point in time, as we do not know whether we will eventually face any such fines and, in any event, cannot at this stage reliably estimate the appropriate amount. In addition, we cannot at this stage estimate the likely timing of the resolution of this matter.

**Budweiser Trademark Litigation**

We are involved in a longstanding trademark dispute with the brewer Budejovicky Budvar, n.p. located in Ceske Budejovice, Czech Republic. This dispute involves the BUD and BUDWEISER trademarks and includes actions pending in national trademark offices as well as courts. There are approximately 73 actions pending in 23 jurisdictions. While there are a significant number of actions pending, taken in the aggregate, the actions do not represent a material risk to our financial position or profitability.

**Oglala Sioux Litigation**

In February 2012, the Oglala Sioux Tribe brought a claim in the state of Nebraska against us and several brewers, wholesalers and retailers. The claim alleged that we and the other defendants should have known that the sale of our products contributed to certain health problems, including problems related to the abuse of alcohol, suffered by the Oglala Sioux Tribe. The Tribe sought monetary damages as well as injunctive relief to limit the amount of alcohol that may be sold by retailers located near the Tribe's reservation. We coordinated with the other defendants in the defense of this matter, and filed Motions to Dismiss. On 1 October 2012, the court dismissed the lawsuit without prejudice, finding that there was no federal jurisdiction. The lawsuit has not been refiled in state court.

**Starbev Litigation**

At the time of the 2009 sale of our Central European operations to CVC Capital Partners, we received rights under a Contingent Value Right Agreement ("**CVR Agreement**") to a future payment that was contingent on CVC's return on its initial investments. On 15 June 2012, CVC sold the business to Molson Coors Brewing Company for an aggregate consideration of EUR 2.65 billion. We believe that as a result of the sale to Molson, the return earned by CVC Capital Partners triggered our right to a further payment under the CVR Agreement. On 25 October 2012, CVC Capital Partners issued proceedings against us in the English Commercial Court in relation to the CVR Agreement and sought a declaration that the return it received following the sale to Molson did not trigger our right to payment. We served our defense and counterclaim on 19 December 2012. The amount we are able to recover will depend on discovery and calculation criteria to be explored at trial.

**SEC Investigation Inquiring into Indian Operations**

We have been informed by the SEC that it is conducting an investigation into our affiliates in India, including our non-consolidated Indian joint venture, InBev Indian Int'l Private Ltd, and whether certain relationships of agents and employees were compliant with the FCPA. We are investigating the conduct in question and cooperating with the SEC.

**Alcohol-by-Volume Litigation**

In late February 2013, seven lawsuits were filed against us relating to the alcohol-by-volume in several of our beer brands. Six of these lawsuits were filed in Federal Courts located in California, Colorado, New Jersey, Ohio, Pennsylvania and Texas. The seventh was filed in State Court in Missouri. The lawsuits generally allege that such products contain lower alcohol-by-volume levels than what is stated on the labels, in violation of various federal and state laws. Responsive pleadings have not yet been filed, and we will vigorously defend against these lawsuits.

***Ambev and its Subsidiaries***

**Tax Matters**

As of 31 December 2012, Ambev and its subsidiaries had several tax claims pending in Brazil, including judicial and administrative proceedings. Most of these claims relate to ICMS value-added tax, IPI excise tax, and income tax and social contributions. As of 31 December 2012, Ambev had made provisions of R$313 million (USD 153 million) in connection with those tax proceedings for which it believed there was a probable chance of loss.

Among the pending tax claims, there are claims filed by Ambev against Brazilian tax authorities alleging that certain taxes are unconstitutional. Such tax proceedings include claims for income taxes, ICMS, IPI and revenue taxes ("**PIS**" and "**COFINS**"). As these claims are contingent on obtaining favorable judicial decisions, the corresponding assets which might arise in the future are only recorded once it becomes certain that Ambev will receive the amounts previously paid or deposited.

As of 31 December 2012, there were also tax proceedings with a total estimated possible risk of loss of R$10.989 billion (USD 5.378 billion). Approximately R$7.6 billion (USD 3.7 billion) of this figure is related to income tax and social contributions. Approximately R$2.9 billion (USD 1.4 billion) is related to value-added and excise taxes, of which the most significant are discussed below.

**Value-Added Tax, Excise Tax and Taxes on Net Sales**

Ambev is currently party to legal proceedings with the State of Rio de Janeiro where it is challenging such State's attempt to assess ICMS with respect to irrevocable discounts granted by Ambev in January 1996 and February 1998. These proceedings are currently before the Superior Court of Justice and the Brazilian Supreme Court, and involve the amount of approximately R$356 million (USD 174 million) as of 31 December 2012, which Ambev has treated as a possible loss. Such estimate is based on reasonable assumptions and assessments of management, but should Ambev lose such proceedings the expected net impact on its income statement would be an expense for this amount.

Many states in Brazil offer tax benefits programs to attract investments to their regions. Ambev participates in ICMS value-added tax credit programs offered by various Brazilian states, which provide (i) tax credits to offset ICMS value-added tax payable and (ii) ICMS value-added tax deferrals. In return, Ambev is required to meet certain operational requirements including, depending on the state, production volume and employment targets, among others. All of these conditions are included in specific agreements between Ambev and the Brazilian state governments. In the event that Ambev does not meet the program's targets, future benefits may be withdrawn. The total amount deferred (financing) as of 31 December 2012, was R$168.7 million (USD 82.6 million). There is a controversy regarding whether these state tax deferral benefits are constitutional when granted without the approval of every state of Brazil. Some states and public prosecutors have filed direct actions of unconstitutionality in the Brazilian Supreme Court to challenge the constitutionality of certain Brazilian state laws granting tax incentive programs unilaterally, without the prior approval of CONFAZ (the council formed by all 27 Brazilian State Treasury Secretaries). Since 2007, Ambev has received tax assessments from the States of São Paulo, Rio de Janeiro and Minas Gerais in the aggregate amount of approximately R$440 million (USD 215 million) challenging the legality of tax credits arising from existing tax incentives received by Ambev in other states. Ambev has treated these proceedings as a possible (but not probable) loss. Should Ambev lose such proceedings, the expected net impact on its income statement would be an expense for this amount. Moreover, Ambev cannot rule out the possibility of other Brazilian states issuing similar tax assessments related to Ambev's tax incentives. In 2011 the Brazilian Supreme Court declared 14 Brazilian state laws granting tax incentives without the prior approval of CONFAZ unconstitutional, including one granting incentives to Ambev in the federal district, which Ambev has ceased to benefit from since such decision. In a meeting held on 30 September 2011, CONFAZ issued a resolution suspending the state's right to claim return of the tax incentives incurred by the beneficiaries of the state laws declared unconstitutional. There are a number of other actions before the Brazilian Supreme Court challenging the constitutionality of benefit laws offered by some states, which may impact Ambev's tax benefits.

Goods manufactured within the Manaus Free Trade Zone – ZFM intended for consumption elsewhere in Brazil are exempt from the Brazilian IPI excise tax. Ambev's subsidiaries have been registering IPI excise tax presumed credits upon the acquisition of exempted inputs manufactured therein. Since 2009 Ambev has been receiving a number of tax assessments from the Brazilian Federal Tax Authorities relating to the disallowance of such presumed credits, which decision from the Upper House of the Administrative Court is still pending. Ambev's management estimates possible losses in relation to these assessments to be approximately R$410 million (USD 200 million) as of 31 December 2012.

**Ambev Profits Generated Abroad**

During the first quarter 2005, certain subsidiaries of Ambev received a number of assessments from Brazilian federal tax authorities relating to profits of its foreign subsidiaries. In December 2008, the Administrative Court decided one of the tax assessments relating to earnings of Ambev's foreign subsidiaries. This decision was partially favorable to Ambev, and in connection with the remaining part, Ambev filed an appeal to the Upper House of the Administrative Court and is awaiting its decision. With respect to another of the tax assessments relating to foreign profits, the Administrative Court rendered a decision favorable to Ambev in September 2011. After these decisions, Ambev estimates the total exposures of possible losses in relation to these assessments to be approximately R$2.6 billion (USD 1.3 billion) as of 31 December 2012. Ambev has not recorded any provision in connection therewith.

**Tax Loss Offset**

Ambev and certain of its subsidiaries received a number of assessments from Brazilian federal tax authorities relating to the use of income tax losses in company mergers. Ambev has not recorded any provision in connection therewith.

Ambev estimated the total exposures of possible losses in relation to these assessments to be approximately of R$522 million (USD 255 million) as of 31 December 2012.

**Labatt tax matters**

Labatt was assessed by the Canada Revenue Agency for the interest rate used in certain related-party debts and related-party transactions, and other transactions existing prior to the merger of Labatt into Ambev. These

issues were settled in April 2010 for CAD 123 million (USD 123.4 million) of the estimated exposure of CAD 218 million (USD 218.7 million) at 31 December 2009. Part of the amount settled, corresponding to transactions made prior to the merger of Labatt into Ambev, was reimbursed by us.

Labatt received another tax assessment on its valuations of certain intercompany transactions amounting to CAD 158 million (USD 158.7 million). Ambev appealed this tax assessment. The appeal was allowed in April 2012 by the Canada Revenue Agency with no cost to Labatt.

**Tax Amnesty and Refinancing Program**

In 2009, Ambev elected to enroll in the Tax Amnesty and Refinancing Program, introduced by Brazilian Federal Law 11,941/09, with respect to some of its current tax lawsuits. Under this program, Ambev agreed to pay R$374.8 million (USD 183.4 million) in 180 monthly installments, as from June 2011. As of December 2012, the total amount due under such program is R$271.9 million (USD 133.1 million), registered under the "*Other taxes, charges and contributions*" item of Ambev's income statement.

**Special Goodwill Reserve**

In December 2011, Ambev received a tax assessment from the *Secretaria da Receita Federal do Brasil* related to the goodwill amortization resulting from InBev Brasil's merger with Ambev referred to under "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Ambev Special Goodwill Reserve." In June 2012, Ambev filed an appeal against the unfavorable first-level administrative decision and awaits the decision of the Administrative Court. Ambev believes that the goodwill amortization and respective deduction for tax purposes were in compliance with the provisions set forth by CVM Instruction No. 319/1999 and that Ambev's use of this goodwill was lawful. Ambev believes that the Brazilian Federal Tax Authorities' position is incorrect, the grounds to contest the tax assessment are well founded, and the risk of loss is possible (but not probable). Accordingly, Ambev has not recorded any provisions for this matter and estimates the amount of possible losses in relation to this assessment to be approximately R$3.7 billion (USD 1.8 billion) as of 31 December 2012. In the event that Ambev is required to pay these amounts, we will reimburse Ambev the amount proportional to the benefit received by us pursuant to the merger protocol, as well as the related costs.

**Labor Matters**

Ambev is involved in a total of 18,971 labor claims. In Brazil, it is not unusual for a company to be named as a defendant in such a large number of claims. As of 31 December 2012, Ambev has made provisions totaling R$169.3 million (USD 82.8 million) in connection with approximately 4,188 of Ambev and its subsidiaries' labor claims with former and current employees. The claims primarily relate to overtime, dismissals, severance, health and safety premiums, supplementary retirement benefits and other matters, all of which are awaiting judicial resolution.

**Civil Claims**

As of 31 December 2012, Ambev had 4,543 civil claims pending in Brazil, including third-party distributors and product-related claims. Ambev is the plaintiff in 1,268 and the defendant in 3,175 of these claims. Ambev has established provisions totaling R$30.4 million (USD 14.9 million) for Ambev and its subsidiaries as of December 31, 2012, in connection with civil claims.

*Zeca Pagodinho*

Ambev is party to a tortious interference claim brought by its competitor Schincariol whereby Schincariol seeks damages in the range of R$100 million (USD 48.9 million) from Ambev, claiming that Ambev signed up the entertainer Zeca Pagodinho while he was still contractually bound with Schincariol. On 20 July 2007, the lower courts of the State of São Paulo denied Schincariol's claim, and Schincariol filed an appeal on 24 August 2007. Ambev has not recorded a provision in connection with such proceeding. Schincariol's appeal is waiting to be decided before the Appellate Court.

**Warrants**

In 2002, Ambev decided to request a ruling from the CVM (*Comissao de Valores Mobiliarios*, the Securities and Exchange Commission of Brazil) in connection with a dispute between Ambev and some of its warrant holders regarding the criteria used in the calculation of the strike price of certain Ambev warrants. In March and April 2003, the CVM ruled that the criteria used by Ambev to calculate the strike price were correct. In response to the CVM's final decision and seeking to reverse it, some of the warrant holders filed separate lawsuits before the courts of São Paulo and Rio de Janeiro.

Although the warrants expired without being exercised, the warrant holders claim that the strike price should be reduced to take into account the strike price of certain stock options granted by Ambev under its Stock Ownership Program, as well as for the strike price of other warrants issued in 1993 by Brahma.

Ambev has been notified of seven claims from 12 holders arguing that they would be entitled to those rights. Two of them were ruled favorably to Ambev by the appellate court of the State of São Paulo. A third one was settled. Of the four other claims, Ambev recently received a favorable ruling in one claim by the court of first instance in Rio de Janeiro, and the appellate court of the State of Rio de Janeiro ruled against Ambev in the other three claims. Ambev has appealed to the Superior Court of Justice with respect to the final decisions issued by the appellate court of the State of Rio de Janeiro.

The warrant holders of one of the claims denied by the appellate court of the State of São Paulo have also appealed to the Superior Court of Justice. In September 2012, the Superior Court of Justice decided in favor of Ambev and the possibilities of a reversal decision are remote.

In the event the plaintiffs prevail in the above six pending proceedings, Ambev believes that the corresponding economic dilution for the existing shareholders would be the difference between the market value of the shares at the time they are issued and the value ultimately established in liquidation proceedings as being the subscription price pursuant to the exercise of the warrants. Ambev believes that the warrants which are the object of those six proceedings represented, on 31 December 2012, 27,684,596 preferred and 6,881,719 common shares that would be issued at a value substantially below fair market value, should claimants ultimately prevail. The plaintiffs also claim they should receive past dividends related to these shares in the amount of approximately R$367.3 million (USD 179.7 million).

Ambev believes that its chances of receiving unfavorable final decisions are possible and therefore it has not established a provision in its financial statements. As these disputes are based on whether Ambev should receive as a subscription price a lower price than the price that it considers correct, a provision of amounts with respect to these proceedings would only be applicable with respect to legal fees and past dividends.

**Antitrust Matters**

*Investigations*

Ambev currently has a number of antitrust investigations pending against it before Brazilian antitrust authorities.

*Tô Contigo*

On 22 July 2009, Conselho Administrativo de Defesa Economica ("**CADE**") issued its ruling in connection with a proceeding initiated in 2004 as a result of a complaint filed by Schincariol that had, as its main purpose, the investigation of Ambev's conduct in the market, in particular Ambev's customer loyalty program known as "Tô Contigo" and which is similar to airline frequent flyer and other mileage programs.

During its investigation, the Secretariat of Economic Law of the Ministry of Justice ("**SDE**") concluded that the program should be considered anticompetitive unless certain adjustments were made. These adjustments were substantially incorporated into the version of the program at that time, and the program no longer exists. The SDE opinion did not threaten any fines and recommended that the other accusations be dismissed. After the SDE

opinion, the proceeding was sent to CADE, which issued a ruling that, among other things, imposed a fine in the amount of R$352.7 million (USD 172.6 million), or R$486 million as of 31 December 2012, reflecting accrued interest (USD 238 million).

Ambev has challenged CADE's decision before the federal courts, which have ordered the suspension of the fine and other parts of the decision upon our posting of a guarantee. Ambev has already rendered a court bond (*carta de fiança*) for this purpose and the decision is partially suspended.

On 29 March 2011, and following a determination included in the abovementioned CADE decision, the SDE initiated investigations to determine whether individuals should also be held responsible for the Tô Contigo practices, including Bernardo Pinto Paiva, currently our Chief Sales Officer, and Ricardo Tadeu Almeida Cabral de Soares, currently working for us and formerly the Sales Executive Officer of Ambev.

*Kaiser*

On 2 April 2007, Cervejaria Kaiser, which is currently the fourth-largest beer producer in Brazil and a part of the Heineken Group, filed a complaint with Brazilian antitrust authorities alleging that Ambev's cooler programs and exclusivity agreements constituted anti-competitive practices, and also that Ambev launched two counter brands (*Puerto del Sol* and *Puerto del Mar*) in connection with the entry of Kaiser's product *Sol Pilsen* in 2006. On 9 December 2008, the SDE registered two administrative proceedings to investigate the alleged practices. Ambev's preliminary responses were filed before SDE on 18 February 2009 and 16 January 2012.

*1L Bottle*

On 20 August 2009, the Brazilian Association of Beverages filed a complaint with the Brazilian antitrust authorities challenging Ambev's new proprietary one-liter returnable bottle launched under its main brands. The Association claims that Ambev's new one-liter bottle would cause the standard 600ml bottle exchange system to cease to exist, therefore artificially increasing the costs of competitors and restricting their access to the points of sale. In response, on 14 September 2009, Ambev submitted preliminary clarifications to the SDE arguing for the economic rationale and the benefits to the consumer deriving from the one-liter format. On 28 October 2009, SDE decided to initiate an Administrative Proceeding against us to further investigate the issue. In its note initiating the proceedings, the SDE stated that although it believes that market producers are in principle free to decide whether or not to participate in a standard bottle exchange system, it wanted to further investigate whether the manner pursuant to which Ambev was allegedly introducing the one liter bottle could potentially create lock-in effects. On 24 December 2010, SDE issued its opinion recommending the dismissal of the case stating that: (i) Ambev is free to decide whether or not it participates in common bottle exchange system, (ii) Ambev is not required to help competitors, and (iii) innovation developments – including new bottles – are pro-competitive. In December 2011, CADE's Attorney General issued his opinion, which is in line with SDE's opinion referred to above. In February 2012, the Federal Public Prosecutor issued his opinion against Ambev's one-liter bottle. In August 2012, the case was dismissed by CADE.

*Others*

In April 2007, the Brazilian Association of Carbonated Soft Drinks Manufacturers filed a complaint with the Brazilian antitrust authorities alleging that Ambev engaged in the following anticompetitive practices: (i) predatory prices, (ii) restriction of competitors' access to shelf space in supermarkets; (iii) exclusivity agreements with strategic points of sales; and (iv) adoption of a proprietary reusable glass bottle. In August 2009, SDE initiated a preliminary inquiry to investigate these alleged practices. The case was dismissed by CADE in December 2012.

In July 2007, CADE forwarded to SDE for further investigation a complaint issued by Globalbev Bebidas e Alimentos Ltda. alleging that Ambev was restricting competitors' access to the shelf space in supermarkets. In August 2009, SDE initiated a preliminary inquiry to investigate this supposed anticompetitive practice. The case is still under the analysis of SDE, which will decide whether or not to initiate an administrative proceeding to further investigate Ambev.

**Environmental Matters**

*Riachuelo*

In 2004, an environmental complaint was initiated by certain neighbors residing in the Riachuelo Basin against the State of Argentina, the Province of Buenos Aires, the city of Buenos Aires and more than 40 corporate entities (including Cerveceria y Malteria Quilmes S.A.) with premises located in the Riachuelo Basin or that discharge their waste into the Riachuelo River. In this complaint, the Argentine Supreme Court of Justice has resolved that the State of Argentina, the Province of Buenos Aires and the city of Buenos Aires remain primarily responsible for the remediation of the environment, and further resolved that the Riachuelo Basin Authority ("**Acumar**", an environmental authority created in 2006 pursuant to the Argentine Law No. 26, 168) would be responsible for the implementation of a Remediation Plan for the Riachuelo Basin. The Supreme Court of Justice has not yet resolved on the responsibility for the environmental damage.

*Others*

The Public Attorney of the State of Rio de Janeiro requested the initiation of a civil inquiry on 12 December 2003 to investigate anonymous reports of pollution allegedly caused by Nova Rio, Ambev's breweries located in the State of Rio de Janeiro. Currently this investigation is in the discovery phase. Ambev expects this investigation to be dismissed as Ambev has presented several expert opinions, including one from the State environmental agency, showing lack of environmental damages. Furthermore, the police of Rio de Janeiro requested the initiation of a criminal inquiry on 2 June 2003 to investigate the author of the alleged environmental crime, which is also in the discovery phase. Ambev expects this investigation will be dismissed concurrently with the civil investigation mentioned above.

**Brazilian Beer Industry Litigation**

On 28 October 2008, the Brazilian Federal Prosecutor's Office (*Ministério Público Federal*) filed a suit for damages against Ambev and two other brewing companies claiming total damages of approximately R$2.8 billion (USD 1.4 billion) (of which approximately R$2.1 billion (USD 1.0 billion) are claimed against Ambev). The public prosecutor alleges that: (i) alcohol causes serious damage to individual and public health, and that beer is the most consumed alcoholic beverage in Brazil; (ii) defendants have approximately 90% of the national beer market share and are responsible for significant investments in advertising; and (iii) the advertising campaigns increase not only the market share of the defendants but also the total consumption of alcohol and, hence, damage society and encourage underage consumption.

Shortly after the above lawsuit was filed, a consumer-protection association applied to be admitted as a joint-plaintiff. The association has made further requests in addition to the ones made by the Public Prosecutor, including the claim for "collective moral damages" in an amount to be ascertained by the court; however, it suggests that it should be equal to the initial request of R$2.8 billion (USD 1.4 billion) (therefore, it doubles the initial amount involved). The court has admitted the association as joint-plaintiff and has agreed to hear the new claims. Ambev believes that its chances of loss are remote and, therefore, has not made any provision with respect to such claim.

**Anheuser-Busch**

**Dispositions Pension Litigation**

On 1 December 2009, Anheuser-Busch InBev SA/NV, Anheuser-Busch Companies, LLC and the Anheuser-Busch Companies Pension Plan were sued in the United States District Court for the Eastern District of Missouri in a lawsuit styled Richard F. Angevine v. Anheuser-Busch InBev SA/NV, et al. The plaintiff sought to represent a class of certain employees of Busch Entertainment Corporation, which was divested on 1 December 2009, and the four Metal Container Corporation plants which were divested on 1 October 2009. He also sought to certify a class action and represent certain employees of any other subsidiary of Anheuser-Busch Companies, LLC that has been divested or may be divested during the three-year period from the date of the Anheuser-Busch acquisition, 18 November 2008 through 17 November 2011. Among other things, the lawsuit claimed that we failed

to provide him and the other class members (if certified) with certain enhanced benefits, and breached our fiduciary duties under the U.S. Employee Retirement Income Security Act of 1974. On 16 July 2010, the court dismissed plaintiff's lawsuit. The court ruled that the claims for breach of fiduciary duty and punitive damages were not proper. The court also found that the plaintiff did not exhaust all of his administrative remedies, which he must first do before filing a lawsuit. On 9 August 2010, the plaintiff filed an appeal of this decision to the Eighth Circuit Court of Appeals, which was denied on 22 July 2011. No further appeals were filed.

On 15 September 2010, Anheuser-Busch InBev SA/NV and several of its related companies were sued in Federal Court for the Southern District of Ohio in a lawsuit entitled Rusby Adams et al. v. AB InBev, et al. This lawsuit was filed by four employees of Metal Container Corporation's facilities in Columbus, Ohio, Gainesville, Florida, and Ft. Atkinson, Wisconsin that were divested on 1 October 2009. Similar to the Angevine lawsuit, these plaintiffs seek to represent a class of participants of the Anheuser-Busch Companies Salaried Employees' Pension Plan (the "**Plan**") who had been employed by subsidiaries of Anheuser-Busch Companies, LLC that had been divested during the period of 18 November 2008 through 17 November 2011. The plaintiffs also allege claims similar to the Angevine lawsuit, namely, that by failing to provide plaintiffs with these enhanced benefits, we breached our fiduciary duties under the U.S. Employee Retirement Income Security Act of 1974. We filed a Motion to Dismiss and obtained dismissal of the breach of fiduciary duty claims in April 2011, leaving only the claims for benefits remaining. On 28 March 2012, the Court certified that the case could proceed as a class action comprised of former employees of the divested Metal Container Corporation operations. On 9 January 2013, the Court granted our Motion for Judgment on the Administrative Record. The plaintiffs appealed the decision on 2 February 2013.

On 10 January 2012, a class action complaint asserting claims very similar to those asserted in the Angevine lawsuit was filed in Federal Court for the Eastern District of Missouri, styled Nancy Anderson et al. v. Anheuser-Busch Companies Pension Plan et al. Unlike the Angevine case, however, the plaintiff in this matter alleges complete exhaustion of all administrative remedies. We filed a Motion to Dismiss on 9 October 2012. This was still pending when the court allowed the Complaint to be amended on 19 November 2012 to name four new plaintiffs. We filed a Motion to Dismiss this new Complaint on 17 December 2012 which is still pending.

On 10 October 2012, another class action complaint was filed against Anheuser-Busch Companies, LLC, Anheuser-Busch Companies Pension Plan, Anheuser-Busch Companies Pension Plan Appeals Committee and the Anheuser-Busch Companies Pension Plan Administrative Committee by Brian Knowlton and several other former Busch Entertainment Corporation Employees. It was filed in Federal Court in the Southern District of California, and was amended on 12 October 2012. Like the other lawsuits, it claims that the employees of any divested assets were entitled to enhanced retirement benefits under section 19.11(f) of the Plan. However, it specifically excluded the divested Metal Container Corporation facilities that were included in the Adams class action. On 6 November 2012, the plaintiffs filed a motion asking the court to move the Anderson case to California to join it with the Anderson case for discovery. We filed a Motion to Dismiss/Motion to Transfer the case to Missouri on 12 November 2012. On 30 January 2013, the Court granted the Motion to Transfer, so this case will now proceed in Federal Court in Missouri.

**Acquisition Antitrust Matters**

The combination with Grupo Modelo is subject, and requires approvals or notifications pursuant, to various antitrust laws, including under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "**Hart-Scott-Rodino Act**").

*United States*

Under the Hart-Scott-Rodino Act, before the combination with Grupo Modelo can be consummated, Grupo Modelo and we were each required to file a notification and report form and to wait until the applicable waiting period had expired or been terminated. In July 2012, we and Grupo Modelo filed notification and report forms under the Hart-Scott-Rodino Act with the U.S. Federal Trade Commission and the Antitrust Division of the U.S. Department of Justice. The initial 30-day waiting period was extended on 17 August 2012 for a period of time necessary for us and Grupo Modelo to respond to requests for additional information we and Grupo Modelo received from the U.S. Department of Justice, plus an additional 30 days for the relevant U.S. authorities to review after both parties substantially complied with the requests.

On 31 January 2013, the U.S. Department of Justice filed suit in the U.S. District Court for the District of Columbia challenging the proposed combination with Grupo Modelo and seeking an injunction to block the transaction. On 14 February 2013, we announced that we and Constellation entered into revised agreements providing for the divestiture of Grupo Modelo's U.S. business to Constellation. We believe this revised agreement addresses all of the concerns raised by the U.S. Department of Justice in its lawsuit. We, Grupo Modelo, Constellation and Crown Imports are engaged in discussions with the DOJ seeking to resolve the DOJ's litigation challenging the combination with Grupo Modelo. In connection with such discussions, the parties and the DOJ jointly approached the court to request a stay of all litigation proceedings until 9 April 2013, and the court approved the request. Those discussions remain ongoing and we and Grupo Modelo have agreed not to consummate the combination with Grupo Modelo during the pendency of those discussions. There can be no assurance that the discussions will be successful.

*Mexico*

The Mexican Antitrust Commission approved the combination with Grupo Modelo without any condition by resolution dated on 8 November 2012. The term of the Mexican Antitrust Commission's approval was extended on 19 February 2013 for an additional period of six months, effective until 19 August 2013. Additionally, in connection with the announced revised agreement with Constellation, in which, Constellation will acquire Grupo Modelo's Piedras Negras brewery in Mexico, among other matters, we filed a request for approval of that transaction with the Mexican Antitrust Commission on 21 February 2013.

**Dividend Policy**

Our current dividend policy is to declare a dividend representing in aggregate at least 25% of our consolidated profit attributable to our equity holders, excluding exceptional items, such as restructuring charges, gains or losses on business disposals and impairment charges, subject to applicable legal provisions relating to distributable profit.

Any matter relating to our dividend payout policy (except that the actual amount of any dividend remains subject to approval at our shareholders' meeting in accordance with the Belgian Companies Code) is within the jurisdiction of our shareholders' meetings and shall be adopted with a positive vote of at least 75% of the shares attending or represented at the meeting, regardless of the number of shares attending or represented, if and only if any four of our directors request that the matter be submitted at our shareholders' meeting.

The dividends are approved by our annual shareholders' meeting and are paid on the dates and at the places appointed by our Board. Our Board may pay an interim dividend in accordance with the provisions of the Belgian Companies Code.

In February 2013, our Board decided to pay the dividends on a semi-annual basis going forward. Starting with dividends for fiscal year 2013, the dividends payable for any given fiscal year will be paid in November of such year and in May of the following year. The dividend payable in November will be an advance amount decided by the board of directors in the form of an interim dividend. The dividend payable in May of the following year will be decided by the shareholders meeting and will supplement the amount already distributed in November. In both cases, the dividends will be paid on the dates and at the places communicated by the board of directors. This change will allow us to manage our cash flow more efficiently throughout the year by matching dividend payments more closely with operating cash flow generation.

The table below summarizes the dividends paid by us in the most recent financial years.

| Financial year | Number of our shares outstanding at end of relevant financial year | Gross amount of dividend per Share (in EUR) | Gross amount of dividend per Share (in USD) | Payment date |
|---|---|---|---|---|
| 2012 | 1,606,787,543 | 1.70 | 2.24 | 2 May 2013 |
| 2011 | 1,606,071,789 | 1.20 | 1.55 | 3 May 2012 |
| 2010 | 1,605,183,954 | 0.80 | 1.07 | 2 May 2011 |
| 2009 | 1,604,301,123 | 0.38 | 0.55 | 3 May 2010 |
| 2008 | 1,602,427,569 | 0.28 | 0.35 | 5 May 2009 |

## B. SIGNIFICANT CHANGES

On 29 June 2012, we and Grupo Modelo announced that we had entered into an agreement under which we will acquire the remaining stake in Grupo Modelo that we do not already own for USD 9.15 per share in cash in a transaction valued at USD 20.1 billion. The combination will be completed through a series of steps that will simplify Grupo Modelo's corporate structure, followed by an all-cash tender offer by us for all outstanding Grupo Modelo shares that it will not own at that time. In a related transaction, it was announced on 29 June 2012 that Grupo Modelo would sell its existing 50% stake in Crown Imports, the joint venture that imports and markets Grupo Modelo's brands in the United States, to Constellation for USD 1.85 billion, giving Constellation 100% ownership and control.

The transactions are subject to regulatory approvals in the United States, Mexico and other countries and other customary closing conditions. On 20 July 2012, Grupo Modelo held a shareholders' meeting at which a majority of the shareholders approved amendments to Grupo Modelo's by-laws and other steps required in connection with the agreement under which we will acquire the remaining stake in Grupo Modelo.

On 31 January 2013, we announced that the DOJ filed an action seeking to block the proposed combination between us and Grupo Modelo.

On 14 February 2013, we and Constellation announced a revised agreement that establishes Crown Imports as the number three producer and marketer of beer in the United States through a complete divestiture of Grupo Modelo's U.S. business. The transaction establishes Crown Imports as a fully-owned entity of Constellation, and provides Constellation with independent brewing operations, Grupo Modelo's full profit stream from all U.S. sales, and rights in perpetuity to the Modelo brands distributed by Crown Imports in the United States. As part of our acquisition of the 50% of Grupo Modelo we do not already own, we have agreed to sell Compañía Cervecera de Coahuila, Grupo Modelo's state-of-the-art brewery in Piedras Negras, Mexico, and grant perpetual brand licenses to Constellation for USD 2.9 billion, subject to a post-closing adjustment. This price is based on an assumed 2012 EBITDA of USD 310 million earned from manufacturing and licensing the Modelo brands for sale by the Crown Imports joint venture, with an implied multiple of approximately nine times. The sale of the brewery, which is located near the Texas border, would ensure independence of supply for Crown Imports and provides Constellation with complete control of the production of the Modelo brands produced in Mexico and distributed by Crown Imports in the United States. We and Constellation have also agreed to a three-year transition services agreement to ensure the smooth transition of the operation of the Piedras Negras brewery, which is fully self-sufficient, utilizes top-of-the-line technology and was built to be readily expanded to increase production capacity.

On 20 February 2013, we announced that we, Grupo Modelo, Constellation and Crown Imports were engaged in discussions with the DOJ seeking to resolve the DOJ's litigation challenging our proposed combination with Grupo Modelo. In connection with such discussions, the parties and the DOJ jointly approached the court to request a stay of all litigation proceedings until 9 April 2013, and the court approved the request. There can be no assurance that the discussions will be successful and the transactions remain conditioned on regulatory approvals in the United States and Mexico and other customary closing conditions.

On 17 January 2013, we issued USD 4.0 billion aggregate principal amount of bonds, consisting of USD 1.0 billion aggregate principal amount of fixed rate notes due 2016, USD 1.0 billion aggregate principal amount of fixed rate notes due 2018, USD 1.25 billion aggregate principal amount of fixed rate notes due 2023 and USD 750

million aggregate principal amount of fixed rate notes due 2043. The notes bear interest at an annual rate of 0.800% for the 2016 notes, 1.250% for the 2018 notes, 2.625% for the 2023 notes and 4.000% for the 2043 notes. The notes will mature on 15 January 2016 in the case of the 2016 notes, on 17 January 2018 in the case of the 2018 notes, on 17 January 2023 in the case of the 2023 notes and 17 January 2043 in the case of the 2043 notes.

On 23 January 2013, we issued EUR 500 million aggregate principal amount of fixed rate notes due in 2033 and bearing interest at an annual rate of 3.250%.

On 25 January 2013, we issued a private offering of notes in an aggregate principal amount of CAD 1.2 billion, consisting of CAD 600 million aggregate principal amount of notes with a fixed interest rate of 2.375% per annum and maturity date of 25 January 2018 and CAD 600 million aggregate principal amount of notes with a fixed interest rate of 3.375% per annum and maturity date of 25 January 2023. The notes were offered only to accredited investors resident in Canadian provinces via an Offering Memorandum dated 17 January 2013.

Our board of directors proposed a dividend in respect of 2012 of EUR 1.70 (USD 2.245) per share, subject to shareholder approval. If approved, the shares will trade ex-coupon as of 26 April 2013, the Record Date will be 30 April 2013 and dividends will be payable as of 2 May 2013.

## ITEM 9. THE OFFER AND LISTING

### A. THE OFFER AND LISTING

**Price History of Stock**

***Ordinary shares listed on Euronext Brussels***

The table below shows the quoted high and low closing sales prices in euro on Euronext Brussels for our shares for the indicated periods.

| | Per Share | |
|---|---|---|
| | High | Low |
| | (in EUR) | |
| **Annual** | | |
| 2012 | 69.94 | 46.35 |
| 2011 | 47.31 | 35.15 |
| 2010 | 45.84 | 33.99 |
| 2009 | 36.51 | 16.50 |
| 2008[(1)] | 38.69 | 10.32 |
| **Quarterly** | | |
| 2012 | | |
| *Fourth Quarter* | 69.42 | 64.26 |
| *Third Quarter* | 69.94 | 62.52 |
| *Second Quarter* | 61.30 | 52.77 |
| *First Quarter* | 55.00 | 46.35 |
| 2011 | | |
| *Fourth Quarter* | 47.31 | 38.84 |
| *Third Quarter* | 41.32 | 35.15 |
| *Second Quarter* | 43.67 | 39.15 |
| *First Quarter* | 44.21 | 38.85 |
| **Monthly** | | |
| 2013 | | |
| *February* | 71.76 | 63.99 |
| *January* | 69.30 | 63.90 |
| 2012 | | |
| *December* | 68.45 | 65.74 |
| *November* | 67.39 | 64.26 |
| *October* | 69.42 | 64.51 |
| *September* | 69.94 | 65.02 |

Note:

(1) As a result of the capital increase pursuant to the rights offering we completed in December 2008, our theoretical ex-rights share price was modified by an adjustment ratio of 0.6252 on 24 November 2008. Our historical share prices have not been restated to reflect this adjustment.

***ADSs listed on NYSE***

On 16 September 2009, we listed 1,608,663,943 ADSs on the NYSE, each of which represents one of our ordinary shares. The table below shows the quoted high and low closing sales prices in USD on NYSE for our shares for the indicated periods.

| | Per Share | |
|---|---|---|
| | High | Low |
| | (in USD) | |
| **Annual** (1) | | |
| 2012 | 90.27 | 58.92 |
| 2011 | 63.97 | 49.72 |
| 2010 | 63.88 | 45.80 |
| **Quarterly** | | |
| 2012 | | |
| *Fourth Quarter* | 90.27 | 81.94 |
| *Third Quarter* | 87.54 | 76.64 |
| *Second Quarter* | 79.65 | 65.57 |
| *First Quarter* | 73.48 | 58.92 |
| 2011 | | |
| *Fourth Quarter* | 61.21 | 51.76 |
| *Third Quarter* | 59.33 | 49.72 |
| *Second Quarter* | 63.97 | 55.65 |
| *First Quarter* | 58.68 | 53.90 |
| **Monthly** | | |
| 2013 | | |
| *February* | 93.99 | 85.74 |
| *January* | 94.14 | 84.29 |
| 2012 | | |
| *December* | 89.07 | 86.81 |
| *November* | 87.97 | 81.94 |
| *October* | 90.27 | 83.80 |
| *September* | 87.54 | 83.98 |

Note:

(1) As we listed our ADSs in September 2009, we have provided annual price information for only 2012, 2011 and 2010.

**Share Details**

See “Item 10. Additional Information—B. Memorandum and Articles of Association and Other Share Information—Form and Transferability of Our Shares” for details regarding our shares.

Each of our shares is entitled to one vote except for shares owned by us, or by any of our direct subsidiaries, the voting rights of which are suspended. Shares held by our main shareholders do not entitle such shareholders to different voting rights.

## B. PLAN OF DISTRIBUTION

Not applicable.

## C. MARKETS

We are incorporated under the laws of Belgium (register of legal entities number 0417.497.106), and our shares are listed on the regulated market of Euronext Brussels under the symbol "ABI." The securities that we have listed on the NYSE are ADSs, each of which represents one of our shares. We listed 1,608,663,943 ADSs listed on the NYSE on 16 September 2009 (such number equal to the number of our shares plus the number of warrants on our shares outstanding as of 7 September 2009). For more information on our shares see "—B. Memorandum and Articles of Association and Other Share Information—Form and Transferability of Our Shares." Our ADSs are described in greater detail under "Item 12. Description of Securities Other Than Equity Securities—D. American Depositary Shares."

### Euronext Brussels

Euronext Brussels is a subsidiary of Euronext N.V., a company organized under the laws of the Netherlands, and holds a national license as the stock exchange operator in Belgium. Euronext N.V. is a pan-European stock exchange, grouping together the Amsterdam, Brussels, Lisbon and Paris stock exchanges and Liffe, London's derivatives market. The combination of Euronext N.V. with NYSE Group, Inc., a Delaware corporation, was consummated on 4 April 2007 to create NYSE Euronext. The exchanges of NYSE Euronext list a wide variety of securities, including domestic and international equity securities, convertible bonds, warrants, trackers and debt securities, including corporate and government bonds. All of NYSE Euronext's markets in Europe are subsidiaries of Euronext N.V.

In 2012, NYSE Euronext reported that it was Europe's second largest stock exchange group based on aggregate market capitalization of listed operating companies, and the largest stock exchange group based on the value of consolidated equities trading in the central order book. As of 31 December 2012, 1,335 companies were listed on NYSE Euronext in Europe, of which 1,165 were based in one of Euronext N.V.'s home markets. NYSE Euronext is Europe's largest consolidated cash market based on average daily trades and average daily turnover. The cash trading business unit comprises trading in equity securities and other cash instruments including funds, bonds, warrants, trackers and structured funds. During 2012, on an average day, 1.4 million trades (double counted) for all cash instruments were executed on NYSE Euronext exchanges in Europe, while the average daily value of the total number of trades in all cash instruments was EUR 5.4 billion.

*Trading Platform and Market Structure*. Cash trading on NYSE Euronext's markets in Amsterdam, Brussels, Lisbon and Paris takes place via a single universal trading platform, following the successful migration of these markets from the former *nouveau système de cotation* in 2009.

Cash trading on NYSE Euronext in Europe is governed both by a single harmonized rulebook for trading on each of NYSE Euronext's markets and by non-harmonized NYSE Euronext Rulebooks containing local exchange-specific rules. NYSE Euronext's trading rules provide for an order-driven market using an open electronic central order book for each traded security, various order types and automatic order matching and a guarantee of full anonymity both for orders and trades.

*Trading Members.* The majority of NYSE Euronext's cash trading members are brokers and dealers based in European Euronext's marketplaces, but also include members in other parts of Europe, most notably the United Kingdom and Germany.

*Clearing and Settlement*. Clearing and settlement of trades executed on NYSE Euronext in Europe are handled by LCH.Clearnet (for central counterparty clearing), and independent entities that provide services to NYSE Euronext pursuant to contractual agreement.

Euronext Brussels is governed by, and recognized as a market undertaking under, the Belgian Act of 2 August 2002 (the "**Act**"). Pursuant to the Act, the FSMA is responsible for disciplinary powers against members and issuers, control of sensitive information, supervision of markets, and investigative powers. Euronext Brussels is responsible for the organization of the markets and the admission, suspension and exclusion of members, and has been appointed by law as the "competent authority" within the meaning of the Listing Directive (Directive 2001/34/EC of 28 May 2001 of the European Parliament, as amended).

### D. SELLING SHAREHOLDERS

Not applicable.

### E. DILUTION

Not applicable.

### F. EXPENSES OF THE ISSUE

Not applicable.

## ITEM 10. ADDITIONAL INFORMATION

### A. SHARE CAPITAL

Not applicable.

### B. MEMORANDUM AND ARTICLES OF ASSOCIATION AND OTHER SHARE INFORMATION

A copy of our articles of association dated 28 February 2013 has been filed as Exhibit 99.2 to Form 6-K filed by Anheuser-Busch InBev SA/NV on 8 March 2013.

#### Corporate Profile

We are a public limited liability company incorporated in the form of a *société anonyme/naamloze vennootschap* under Belgian law (register of legal entities number 0417.497.106). Our registered office is located at Grand-Place/Grote Markt 1, 1000 Brussels, Belgium, and our headquarters are located at Brouwerijplein 1, 3000 Leuven, Belgium. We were incorporated on 2 August 1977 and our financial year runs from 1 January to 31 December.

#### Corporate Purpose

According to Article 4 of our articles of association, our corporate purpose is:

- To produce and deal in all kinds of beers, drinks, foodstuffs and ancillary products, fabricate, process and deal in all by-products and accessories, of whatsoever origin or form, of its industry and trade, and to design, construct or produce part or all of the facilities for the manufacture of the aforementioned products;
- To purchase, construct, convert, sell, let, sublet, lease, license and exploit in any form whatsoever all real property and real property rights and all businesses, goodwill, movable property and movable property rights connected with our business;

- To acquire and manage investments, shares and interests in companies or undertakings having objects similar or related to, or likely to promote the attainment of, any of the foregoing objects, and in financing companies; to finance such companies or undertakings by means of loans, guarantees or in any other manner whatsoever; and to take part in the management of the aforesaid companies through membership of our Board governing body; and
- To carry out all administrative, technical, commercial and financial work and studies for the account of undertakings in which it holds an interest or on behalf of third parties.

We may, within the limits of our corporate purpose, engage in all civil, commercial, financial and industrial operations and transactions connected with our corporate purpose either within or outside Belgium. We may take interests by way of asset contribution, merger, subscription, equity investment, financial support or otherwise in all companies, undertakings or associations having a corporate purpose similar or related to or likely to promote the furtherance of our corporate purpose.

**Board of Directors**

Belgian law does not regulate specifically the ability of directors to borrow money from Anheuser-Busch InBev SA/NV.

Our Corporate Governance Charter prohibits us from making loans to directors, whether for the purpose of exercising options or for any other purpose (except for routine advances for business-related expenses in accordance with our rules for reimbursement of expenses). See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Transactions with Directors and Executive Board of Management Members (Key Management Personnel)—Loans to directors."

Article 523 of the Belgian Companies Code provides that if one of our directors directly or indirectly has a personal financial interest that conflicts with a decision or transaction that falls within the powers of our Board, the director concerned must inform our other directors before our Board makes any decision on such transaction. The statutory auditor must also be notified. The director may not participate in the deliberation or vote on the conflicting decision or transaction. An excerpt from the minutes of the meeting of our Board that sets forth the financial impact of the matter on us and justifies the decision of our Board must be published in our annual report. The statutory auditors' report to the annual accounts must contain a description of the financial impact on us of each of the decisions of our Board where director conflicts arise.

We are relying on a provision in the NYSE Listed Company Manual that allows us to follow Belgian corporate law and the Belgian Corporate Governance Code with regard to certain aspects of corporate governance. This allows us to continue following certain corporate governance practices that differ in significant respects from the corporate governance requirements applicable to U.S. companies listed on the NYSE. See "Item 16G. Corporate Governance" for a concise summary of the significant ways in which our corporate governance practices differ from those followed by a U.S. company under the NYSE rules.

For further information regarding the provisions of our articles of association as applied to our Board, see "Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management—Board of Directors" and "Item 6. Directors, Senior Management and Employees—C. Board Practices."

**Form and Transferability of Our Shares**

Our shares can take the form of registered shares, bearer shares or dematerialized shares.

On 1 January 2008, bearer shares booked into a securities account were automatically converted into dematerialized shares. As from 1 January 2008, bearer shares not yet booked into a securities account have been automatically converted into dematerialized shares as from the time they are booked into a securities account.

Furthermore, holders of bearer shares that would not have been subject to this automatic conversion (that is, bearer shares not held in book-entry form) must request, in accordance with the modalities provided by the Belgian Law of 14 December 2005 concerning the suppression of bearer securities, at the latest by 31 December 2013, that such shares be converted into registered or dematerialized shares.

In the event that the conversion of the shares is not requested by the above date, the shares will be automatically converted into dematerialized shares and recorded in our name, with all rights attached to such shares being suspended until their proved owner comes forward and requests that such shares be recorded in his own name. In addition, the Belgian Law of 14 December 2005 provides that, as of 1 January 2015, securities listed on a stock exchange and whose owner remains unknown must be sold by us on a stock exchange in accordance with the modalities provided by such law. We must then deposit (i) the proceeds or (ii) if the securities are not sold before 30 November 2015 at latest, these non-sold securities, with the Belgian Caisse des dépôts et consignations/Deposito-en Consignatiekas, where such proceeds or securities, respectively, may be claimed by their beneficiaries, subject to certain administrative fines being payable by claimants.

All of our shares are fully paid-up and freely transferable.

**Changes to Our Share Capital**

In principle, changes to our share capital are decided by our shareholders. Our shareholders' meeting may at any time decide to increase or decrease our share capital. Such resolution must satisfy the quorum and majority requirements that apply to an amendment of the articles of association, as described below in "—Description of the Rights and Benefits Attached to Our Shares—Right to Attend and Vote at Our Shareholders' Meeting—Votes, quorum and majority requirements."

***Share Capital Increases by Our Board of Directors***

Subject to the same quorum and majority requirements, our shareholders' meeting may authorize our Board, within certain limits, to increase our share capital without any further approval of our shareholders. This is the so-called authorized capital. This authorization needs to be limited in time (that is, it can only be granted for a renewable period of maximum five years) and in scope (that is, the authorized capital may not exceed the amount of the registered share capital at the time of the authorization).

At our extraordinary shareholders' meeting held on 28 April 2009, our shareholders authorized our Board, for a period of five years from the date of publication of the changes to the articles of association decided by our shareholders' meeting on 28 April 2009, to increase our share capital, in one or more transactions, by a number of shares representing no more than 3% of the total number of shares issued and outstanding on 28 April 2009 (which was 1,602,862,013). In accordance with Article 603, indent 1, of the Belgian Companies Code, such increase may not result in the share capital being increased by an amount exceeding the amount of share capital on such date. As of the date of this Form 20-F, the authorized capital had not been used.

***Preference Rights***

In the event of a share capital increase for cash by way of the issue of new shares, or in the event of an issue of convertible bonds or warrants, our existing shareholders have a preferential right to subscribe, pro rata, to the new shares, convertible bonds or warrants. Our Board may decide that preference rights which were not exercised, or were only partly exercised, by any shareholders shall accrue proportionally to the other shareholders who have already exercised their preference rights, and shall fix the practical terms for such subscription.

Our shareholders' meeting, acting in accordance with Article 596 of the Belgian Companies Code and in our interests, may restrict or cancel the preference rights. In the case of a share capital increase pursuant to the authorized capital, our Board may likewise restrict or cancel the preference rights, including in favor of one or more specific persons other than our employees or one of our subsidiaries.

**Purchases and Sales of Our Own Shares**

We may only acquire our own shares pursuant to a decision by our shareholders' meeting taken under the conditions of quorum and majority provided for in the Belgian Companies Code. Such a decision requires a quorum of shareholders holding an aggregate of at least 50% of the share capital and approval by a qualified majority of at least 80% of the share capital present or represented. If there is no quorum, a second meeting must be convened. At the second meeting, no quorum is required, but the relevant resolution must be approved by a qualified majority of at least 80% of the share capital present or represented.

Our shareholders' meeting of 28 April 2009 delegated authority to our Board, for a period of five years from such a date, to acquire our shares up to the maximum number allowed under Article 620, § 1, 2° of the Belgian Companies Code and for a consideration that may not be less than 10% below the lowest closing price in the last 20 stock exchange days preceding the transaction and not more than 10% above the highest closing price in the last 20 stock exchange days preceding the transaction.

See "Item 16E. Purchases of Equity Securities by the Issuer" for details of our recent share repurchase programs.

**Description of the Rights and Benefits Attached to Our Shares**

***Right to Attend and Vote at Our Shareholders' Meeting***

**Annual Shareholders' Meeting**

Our annual shareholders' meeting shall be held on the last Wednesday of April of each year, at 11:00 a.m., or at any other time, in one of the municipalities (communes/gemeenten) of the Region of Brussels, in Leuven or in Liège, at the place mentioned in the notice. If this date is a legal holiday, the meeting is held on the next business day (excluding Saturday) at the same time. Our annual shareholders' meeting in 2013 will be held on 24 April 2013.

**Special and Extraordinary Shareholders' Meetings**

Our Board or the statutory auditor (or the liquidators, if appropriate) may, whenever our interests so require, convene a special or extraordinary shareholders' meeting. Such shareholders' meeting must also be convened every time one or more of our shareholders holding at least one-fifth of our share capital so demand.

**Notices convening our shareholders' meeting**

Notices of our shareholders' meetings contain the agenda of the meeting and our Board's recommendations on the matters to be voted upon.

Notices for our shareholders' meeting are given in the form of announcements placed at least 30 days prior to the meeting in at least one Belgian newspaper and in the Belgian State Gazette (Moniteur belge/Belgisch Staatsblad).

Notices are sent 30 days prior to the date of our shareholders' meeting to the holders of our registered shares, holders of our registered warrants and to our directors and our statutory auditor.

Notices of all our shareholders' meetings and all related documents, such as specific Board and auditor's reports, are also published on our website, *http://www.ab-inbev.com/corporategovernance*.

**Admission to meetings**

All holders of our shares are entitled to attend our shareholders' meeting, take part in the deliberations and, within the limits prescribed by the Belgian Companies Code, to vote.

In accordance with the Belgian law of 20 December 2010 on the exercise of certain rights of shareholders in listed companies, the Extraordinary Shareholders' Meeting of 26 April 2011 approved an amendment to our articles of association. In accordance with this amendment, as of 1 January 2012, the right to participate in and vote at a shareholders' meeting will require shareholders to:

(i) have the ownership of their shares recorded in their name on the 14th calendar day preceding the date of the meeting (the "**record date**"):

– through registration in the register of the registered shares of our company, for holders of registered shares; or

– through book-entry in the accounts of an authorized account holder or clearing organization, for holders of dematerialized shares.

AND

(ii) notify us at the latest on the 6th calendar day preceding the day of the meeting, of their intention to participate in the meeting, indicating the number of shares in respect of which they intend to do so. In addition, the holders of dematerialized shares must, at the latest on the same day, provide us with an original certificate issued by an authorized account holder or a clearing organization certifying the number of shares owned on the record date by the relevant shareholder and for which it has notified its intention to participate in the meeting.

To attend a shareholders' meeting, holders of printed bearer shares must first convert their shares into registered or dematerialized shares as specified in article 25 of the articles of association.

Any shareholder may attend our shareholders' meetings in person or be represented by a proxy, who need not be a shareholder. All proxies must be in writing in accordance with the form prescribed by us and must be received by us no later than the 6th calendar day preceding the day of the meeting.

**Votes, quorum and majority requirements**

Each of our shares is entitled to one vote except for shares owned by us, or by any of our direct subsidiaries, the voting rights of which are suspended. The shares held by our principal shareholders do not entitle such shareholders to different voting rights.

Shareholders are allowed to vote in person, by proxy or by mail. Votes by mail must be cast using the form prepared by us and must be received by us no later than the date upon which our shareholders must deposit their shares.

Generally, there is no quorum requirement for our shareholders' meetings, and decisions are taken by a simple majority vote of shares present or represented.

Resolutions relating to amendments of the articles of association or the merger or division of Anheuser-Busch InBev SA/NV are subject to special quorum and majority requirements. Specifically, any resolution on these matters requires the presence in person or by proxy of shareholders holding an aggregate of at least 50% of the issued share capital, and the approval of at least 75% of the share capital present or represented at the meeting. If there is no quorum, a second meeting must be convened. At the second meeting, the quorum requirement does not apply. However, the special majority requirement continues to apply.

Any modification of our corporate purpose or legal form requires a quorum of shareholders holding an aggregate of at least 50% of the share capital and approval by a qualified majority of at least 80% of the share capital present or represented at the meeting. If there is no quorum, a second meeting must be convened. At the second meeting, no quorum is required, but the relevant resolution must be approved by a qualified majority of at least 80% of the share capital present or represented at the meeting.

Our extraordinary shareholders' meeting of 25 April 2006 approved an amendment to our articles of association. As a consequence, the following matters are now within the exclusive jurisdiction of our shareholders' meetings and shall be adopted by the approval of at least 75% of the shares attending or represented at the meeting, regardless of the number of shares attending or represented:

- Any decision to apply for the delisting of our securities from any stock market;
- Any acquisition or disposal of assets by us for an amount exceeding one-third of our consolidated total assets as reported in our most recent audited financial statements.

As a result of the amendment approved by our extraordinary shareholders' meeting of 25 April 2006, the following matters are also within the jurisdiction of our shareholders' meeting and shall be adopted with a positive vote of 75% of the shares attending or represented at the meeting, regardless of the number of shares attending or represented, if and only if any four of our directors request that the matter be submitted to our shareholders' meeting:

- Any matter relating to our dividend payout policy (except that the actual amount of any dividend remains subject to approval by our shareholders' meeting in accordance with the Belgian Companies Code).

The following matters shall be within the jurisdiction of our shareholders' meeting and shall be adopted with a positive vote of 50% plus one of the shares attending or represented at the meeting, regardless of the number of shares attending or represented, if and only if any four of our directors request that the matter be submitted to our shareholders' meeting:

- The approval of the individual to whom our Board proposes to delegate authority for our day-to-day management and appoint as Chief Executive Officer, and the ratification of any decision by our Board to dismiss such individual;
- Any modification of executive remuneration and incentive compensation policy;
- The ratification of any transaction of ours or one of our direct or indirect subsidiaries with a controlling shareholder of us or with a legal or natural person affiliated to or associated with such controlling shareholder within the meaning of Articles 11 and 12 of the Belgian Companies Code, it being understood that, for the purposes of this provision of the articles of association, our direct or indirect subsidiaries are not considered as affiliated to or associated with our controlling shareholders;
- Any modification of our target capital structure and the maximum level of net debt.

***Dividends***

The Belgian Companies Code provides that dividends can only be paid up to an amount equal to the excess of our shareholders' equity over the sum of (i) paid-up or called-up share capital and (ii) reserves not available for distribution pursuant to law or the articles of association.

The annual dividends are approved by our shareholders' meetings and are paid on the dates and at the places determined by our Board. Our Board may pay an interim dividend in accordance with the provisions of the Belgian Companies Code. See "Item 8. Financial Information—A. Consolidated Financial Statements and Other Financial Information—Dividend Policy" for further information on our current dividend policy.

***Appointment of Directors***

Pursuant to a shareholders' agreement (see "Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders") BRC S.à.R.L and Eugénie Patri Sébastien S.A. each have the right to nominate four directors. The Stichting board of directors nominates four to six directors who are independent of shareholders. The mandate of Peter Harf ended on 25 April 2012. Our Board currently comprises three independent directors.

***Liquidation Rights***

We can only be dissolved by a shareholders' resolution passed with a majority of at least 75% of the votes cast at an extraordinary shareholders' meeting where at least 50% of the share capital is present or represented.

In the event of the dissolution and liquidation of Anheuser-Busch InBev SA/NV, the assets remaining after payment of all debts and liquidation expenses shall be distributed to the holders of our shares, each receiving a sum proportional to the number of our shares held by them.

***Disclosure of Significant Shareholdings***

In addition to any shareholder notification thresholds under applicable legislation (which notification is required at 5%, 10%, 15% and so on in five-percentage-point increments), our articles of association require holders of our shares to disclose the number of our shares held if their shareholding exceeds or falls below 3% of our outstanding shares with voting rights. For details of our major shareholders, see "Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders."

**Mandatory Bid**

Belgium implemented the Thirteenth Company Law Directive (European Directive 2004/25/EC of 21 April 2004) by the Belgian Law of 1 April 2007 on public takeover bids (the "**Takeover Law**") and the Belgian Royal Decree of 27 April 2007 on public takeover bids (the "**Takeover Royal Decree**"). Pursuant to the Takeover Law, a mandatory bid will need to be launched on all our shares (and our other securities giving access to voting rights) if a person, as a result of its own acquisition or the acquisition by persons acting in concert with it or by persons acting for their account, directly or indirectly holds more than 30% of our shares (directly and/or through ADSs).

Public takeover bids on shares and other securities giving access to voting rights (such as, warrants or any convertible bonds) are subject to supervision by the FSMA. Public takeover bids must be made for all of our shares, as well as for all our other securities giving access to voting rights. Prior to making a bid, a bidder must publish a prospectus, approved by the FSMA prior to publication.

In accordance with Article 74 of the Takeover Law, our controlling shareholder (the Stichting) and the six entities acting in concert with it (as set out in "Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders—Shareholding Structure") have filed with us and the FSMA the disclosures set forth by the Takeover Law and are, therefore, exempt from the obligation to launch a takeover bid on our shares and other securities giving access to voting rights.

**Limitations on the Right to Own Securities**

Neither Belgian law nor our articles of association imposes any general limitation on the right of non-residents or foreign persons to hold our securities or exercise voting rights on our securities other than those limitations that would generally apply to all shareholders.

## C. MATERIAL CONTRACTS

The following contracts have been entered into by us within the two years immediately preceding the date of this Form 20-F or contain provisions under which we or another member of our group has an obligation or entitlement which is material to our group:

### 2010 Senior Facilities Agreement

On 26 February 2010, we entered into USD 17.2 billion of senior credit agreements, comprising a USD 13 billion 2010 Senior Facilities Agreement (the "**2010 Senior Facilities Agreement**") with a syndicate of thirteen banks, and two term facilities totaling USD 4.2 billion, enabling us to fully refinance a previous senior facilities agreement related to our Anheuser-Busch merger in 2008 (the "**2008 Senior Facilities Agreement**"). These facilities extended our debt maturities while building additional liquidity, thus enhancing our credit profile as evidenced by the improved terms under the facilities, which do not include financial covenants or mandatory prepayment provisions (except in the context of a change in control). The two term facilities totaling USD 4.2 billion were cancelled on 31 March 2010 before being drawn.

The 2010 Senior Facilities Agreement made the following two senior facilities available to us and our subsidiary, Anheuser-Busch InBev Worldwide Inc.: (i) the "**2010 Term Facility**," a three-year term loan facility for up to USD 5.0 billion principal amount available to be drawn in USD, and (ii) the "**2010 Revolving Facility**," a five-year multicurrency revolving credit facility for up to USD 8.0 billion principal amount, which is also available to Cobrew NV and BrandBrew S.A. The 2010 Senior Facilities Agreement is filed as Exhibit 4.2 to our Annual Report on Form 20-F for the fiscal year ended 31 December 2009 filed with the SEC on 15 April 2010.

The 2010 Senior Facilities Agreement contains customary representations and warranties, covenants and events of default. Among other things, an event of default is triggered if either a default or an event of default occurs under any of our or our subsidiaries' financial indebtedness. The obligations of the borrowers under the 2010 Senior Facilities Agreement are jointly and severally guaranteed by the other borrowers, Anheuser-Busch InBev Finance Inc., Anheuser-Busch Companies, LLC and Brandbev S.à r.l.

Initial drawdowns under the 2010 Senior Facilities Agreement were applied towards refinancing the 2008 Senior Facilities Agreement. After the initial drawdowns, borrowings under the 2010 Revolving Facility, which may be drawn down or utilized by way of letters of credit, may be applied towards the general corporate and working capital purposes of us and our subsidiaries.

The availability of funds under the 2010 Senior Facilities Agreement was subject to the satisfaction of a customary set of initial conditions precedent. In addition, prior to the initial drawdown, all available facilities under the 2008 Senior Facilities Agreement were notified for cancellation. All proceeds from the initial drawdown on 6 April 2010 under the 2010 Senior Facilities Agreement were applied towards repayment of the 2008 Senior Facilities and, immediately after such date, all outstanding amounts under the 2008 Senior Facilities Agreement were repaid. In addition to these conditions precedent, all utilizations, both initial and subsequent, also generally require satisfaction of further conditions precedent, including that no event of default or (in the case of any utilization that does not constitute a rollover loan, that is, a revolving credit facility loan for purposes of refinancing a maturing revolving credit facility loan or satisfying a claim in respect of a letter of credit and meeting specified conditions) potential event of default is continuing or would result from the proposed utilization and that certain repeating representations and warranties made by each borrower or guarantor remain true in all material respects.

Mandatory prepayments are required to be made under the 2010 Senior Facilities Agreement in circumstances where a person or a group of persons acting in concert (other than our controlling shareholder, Stichting Anheuser-Busch InBev or any of its certificate holders or any persons or group of persons acting in concert with such persons) acquires control of us, in which case individual lenders are accorded rights to require prepayment in full of their respective portions of the outstanding utilizations.

On 6 April 2010, we drew USD 10.1 billion under the 2010 Senior Facilities Agreement and fully repaid the 2008 Senior Facilities, which has been terminated. During 2010, we repaid USD 5.05 billion of the 2010 Revolving Facility and USD 590 million of the 2010 Term Facility. For details on repayments using proceeds from capital markets offerings, see "Item 5. Operating and Financial Review—G. Liquidity and Capital Resources—Net Debt and Equity."

As of 31 December 2010, the 2010 Revolving Facility had been fully repaid and USD 8 billion remained available to be drawn. As of 31 December 2010, USD 4,410 million remained outstanding under the 2010 Term Facility.

Effective 25 July 2011, we amended the 2010 Revolving Facility under the 2010 Senior Facilities Agreement. The termination date of the 2010 Revolving Facility was amended to 25 July 2016. On 5 July 2011, in connection with the amendment, we fully prepaid and terminated the 2010 Term Facility under the 2010 Senior Facilities Agreement. The amendment to the 2010 Revolving Facility is incorporated by reference as Exhibit 4.2 to this Form 20-F.

We borrow under the 2010 Revolving Facility at an interest rate equal to LIBOR (or EURIBOR for euro-denominated loans) plus a margin of 0.375% per annum based upon the ratings assigned by rating agencies to our long-term debt as of the date of this report. These margins may change to the extent that the ratings assigned to our long-term debt are modified, ranging between 0.35% per annum and 1.50% per annum. A commitment fee of 35% of the applicable margin is applied to any undrawn but available funds under the 2010 Revolving Facility. In addition, a utilization fee of up to 0.3% per annum is payable, dependent on the amount drawn under the 2010 Revolving Facility.

As of 31 December 2012, the 2010 Revolving Facility had been fully repaid and USD 8 billion remained available to be drawn.

**Grupo Modelo Transaction Agreement**

On 28 June 2012, we, Anheuser-Busch International Holdings, Inc., a Delaware corporation ("**ABI Holdings**"), Anheuser-Busch México Holding, S. de R.L. de C.V., a Mexican corporation ("**ABI Sub**"), Grupo Modelo and Diblo, S.A. de C.V. ("**Diblo**"), a subsidiary of Grupo Modelo, entered into a Transaction Agreement (the "**Transaction Agreement**"). The Transaction Agreement provides, subject to the terms and conditions contained therein, for the acquisition by us of the remaining equity of Grupo Modelo that is not currently owned by us. The transaction is structured to occur in a series of steps. Following the satisfaction or waiver of certain conditions to closing, Diblo will be merged with and into Grupo Modelo (the "**Diblo Merger**") and, simultaneously therewith, Dirección de Fábricas, S.A. de C.V., a leading glass bottle manufacturer in Mexico with output largely dedicated to Grupo Modelo, will also be merged with and into Grupo Modelo (the "**Difa Merger**", and together with the Diblo Merger, the "**Mergers**"). As a result of the Mergers and the subscription by us to purchase from Diblo 6,050,000 of Diblo Series B-II shares immediately prior to the Mergers, we will hold 50.3% of the capital stock of Grupo Modelo upon completion of the Mergers. We and Grupo Modelo also entered into a related transaction described below. See "—Crown Imports Membership Interest Purchase Agreement and Brewery Sale and Purchase Agreement."

The completion of the Diblo Merger is subject to certain conditions, including, among others (i) approval of the shareholders of Grupo Modelo and Diblo, (ii) the expiration or termination of the applicable waiting periods under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the receipt of certain other regulatory approvals, and (iii) certain other closing conditions. In connection with the execution of the Transaction Agreement, we entered into letter agreements with certain shareholders of Grupo Modelo under which such shareholders committed to vote in favor of the transactions contemplated by the Transaction Agreement. In addition, the completion of the Difa Merger is conditioned upon the consummation of the Diblo Merger and other customary closing conditions.

Following completion of the Mergers, ABI Sub will commence an all-cash tender offer for all outstanding Grupo Modelo shares for USD 9.15 per share, or an aggregate transaction value of USD 20.1 billion. Once commenced, the tender offer will be held open for 20 business days unless extended. Following the settlement of the tender offer, we will establish a trust that will accept further tenders of shares by Grupo Modelo shareholders over a period of up to 25 months after the tender offer closing. The tender offer is not subject to any minimum tender condition or any financing condition.

We have also agreed to various covenants and agreements in the Transaction Agreement, including, among other things, to (i) preserve Grupo Modelo's name, its existence and the location of its headquarters in Mexico, (ii) continue certain indemnification obligations for current and former Grupo Modelo officers and directors, and (iii) provide substantially similar compensation and benefits to Grupo Modelo employees for one year after the closing of the Mergers.

In addition, we and Grupo Modelo have committed to use reasonable best efforts to obtain the required antitrust approvals, provided that neither party is required to (i) take any action, propose, negotiate, commit to or effect any divestiture, hold separate condition or any other undertaking, condition, remedy, restriction, obligation, consent decree, settlement, stipulation, commitment, action or agreement that would reasonably be expected to result in adverse valuation effects (after giving effect to net after-tax proceeds or other benefits, calculated on a net-present value basis) exceeding USD 3 billion to (A) the business, results of operations or financial condition of (x) Grupo Modelo and its subsidiaries or (y) we and our subsidiaries (before or after the merger and tender offer) or (B) any anticipated benefits (net of costs associated therewith) reasonably expected to result to us, Grupo Modelo and our and their respective subsidiaries from the merger or tender offer, or (ii) divest, split (with respect to asset, brand, brand family, trademarks or geography), license any rights with respect to, or agree to other actions, commitments or restrictions with respect to the Budweiser, Bud Light, Michelob, Corona or Modelo brand families or any extension thereof, the operation of the business of such brand families or the tangible or intangible assets or property (including IP and contracts) used primarily in connection with such brand families.

The Transaction Agreement also includes termination rights for us and Grupo Modelo. In the event that the Transaction Agreement is terminated under certain circumstances where all conditions to closing have been satisfied other than the receipt of certain antitrust approvals, we will be required to pay Grupo Modelo, as agent for the holders of Grupo Modelo's Series A and Series C shares, a termination fee equal to USD 650 million.

In connection with the transaction, we and two of Grupo Modelo's shareholders (the "**Shareholders**") have entered into agreements with us providing for the subscription and purchase by the Shareholders of our deferred share entitlements for USD 1.5 billion in the aggregate, the underlying shares for which will be delivered within five years of closing of the tender offer. Such investment will happen at the share price of USD 65. The Shareholders have agreed to serve on our Board of Directors following the settlement of the tender offer and we have agreed to use reasonable best efforts to nominate and cause these individuals to be elected to the Board of Directors for a term of at least four years. The Shareholders will also agree to a non-competition provision for three years after the settlement of the tender offer.

**Crown Imports Membership Interest Purchase Agreement and Brewery Sale and Purchase Agreement**

In a sale related to the combination with Grupo Modelo, we, Grupo Modelo and Constellation, Inc. announced on 29 June 2012 that Grupo Modelo would sell its existing 50% stake in Crown Imports, the joint venture that imports and markets Grupo Modelo's brands in the United States, to Constellation for USD 1.85 billion, giving Constellation 100% ownership and control of Crown Imports.

On 14 February 2013, we, Grupo Modelo and Constellation, Inc. announced a revised agreement that establishes Crown Imports as a fully-owned entity of Constellation, and provides Constellation with independent brewing operations, Grupo Modelo's full profit stream from all U.S. sales, and rights in perpetuity to the Modelo brands distributed by Crown Imports in the United States. We agreed to sell Compañía Cervecera de Coahuila, Grupo Modelo's state-of-the-art brewery in Piedras Negras, Mexico, and grant perpetual brand licenses to Constellation for USD 2.9 billion, subject to a post-closing adjustment. This price is based on an assumed 2012 EBITDA of USD 310 million earned from manufacturing and licensing the Modelo brands for sale by the Crown Imports joint venture, with an implied multiple of approximately nine times. The sale of the brewery, which is located near the Texas border, would ensure independence of supply for Crown Imports and provides Constellation with complete control of the production of the Modelo brands produced in Mexico and distributed by Crown Imports in the United States. We and Constellation have also agreed to a three-year transition services agreement to ensure the smooth transition of the operation of the Piedras Negras brewery, which is fully self-sufficient, utilizes top-of-the-line technology and was built to be readily expanded to increase production capacity.

The license agreement that a subsidiary of Grupo Modelo intends to enter into at the closing of the brewery sale and purchase agreement will grant to Constellation an irrevocable, exclusive, fully paid-up sub-license to use certain trademarks, recipes, trade secrets, know-how, trade dress, mold designs, patents, copyrights, trade names, and certain other intellectual property rights in connection with the manufacture, bottling and packaging in Mexico (or worldwide under certain circumstances including force majeure events) and importation, distribution, sale, resale, advertisement, promotion and marketing in the United States of Grupo Modelo's Mexican beer portfolio and certain extension brands. The term of the license agreement is perpetual, and Grupo Modelo subsidiary would have no right to terminate the license agreement notwithstanding any breach of the license agreement by Constellation.

The closing of these transactions announced on 14 February 2013 remains conditioned on the completion of the combination with Grupo Modelo, as well as regulatory approvals in the United States and Mexico and other customary closing conditions.

**2012 Senior Facilities Agreement**

On 20 June 2012, we entered into a USD 14.0 billion Senior Facilities Agreement with a syndicate of eleven banks in connection with the combination with Grupo Modelo. The 2012 Senior Facilities Agreement makes the following two facilities available to us, our subsidiaries, Anheuser-Busch InBev Worldwide Inc. and Cobrew NV: (i) "Facility A", a term facility with a maximum maturity of two years from the funding date for up to USD 6.0 billion principal amount available to be drawn in USD and (ii) "Facility B", a three-year term facility for up to USD 8.0 billion principal amount available to be drawn in USD. The 2012 Senior Facilities Agreement is filed as Exhibit 4.16 to this Form 20-F.

As of 30 September 2012, the amount of the Facility A was reduced from USD 6.0 billion to USD 5.1 billion. Each facility is available to be drawn until 20 June 2013, subject to an extension up to 20 December 2013, at our option. In the event that we choose to extend the availability period, the tenor of Facility B will be reduced by the length of the period by which the availability period has been extended. As of 31 December 2012, both Facility A and Facility B remained undrawn.

The 2012 Senior Facilities Agreement contains customary representations, covenants and events of default. Among other things and subject to certain thresholds and limitations, an event of default is triggered if any of our or our subsidiaries' financial indebtedness is accelerated following an event of default. The obligations of the borrowers under the 2012 Senior Facilities Agreement will be jointly and severally guaranteed by the other borrowers and by Anheuser-Busch InBev Finance Inc., Anheuser-Busch Companies, LLC, Brandbev S.à r.l. and BrandBrew SA.

All proceeds from the drawdown under the 2012 Senior Facilities Agreement must be applied, directly or indirectly, toward the combination with Grupo Modelo, refinancing of existing indebtedness of Grupo Modelo or any costs in connection therewith.

The availability of funds under the 2012 Senior Facilities Agreement is subject to the satisfaction of customary conditions precedent. In addition to these conditions, the utilizations under the 2012 Senior Facilities Agreement also require that certain events of default are not outstanding and would not result from the proposed utilizations, that all utilizations are made on the same day and that certain representations made by each borrower and guarantor remain true in all material respects.

We may borrow under the 2012 Senior Facilities Agreement at an interest rate equal to LIBOR, plus mandatory costs (if any), plus a margin on each of Facility A and Facility B based on ratings assigned by rating agencies to our long-term debt. For Facility A, the margin ranges between 0.85% per annum and 2.15% per annum, which margin will increase in fixed increments from the date falling six months after the date of drawdown of Facility A and on the last day of each three-month period ending thereafter. For Facility B, the margin ranges between 1.10% per annum and 2.40% per annum. Based on our ratings as of 31 December 2012, the applicable margin for Facility A was 1.00% and the applicable margin for Facility B was 1.25%. Customary ticking fees are payable on any undrawn but available funds under the Facilities.

Mandatory prepayments are not required to be made under the 2012 Senior Facilities Agreement, except in certain limited circumstances, including (i) for Facility A only (following the drawdown thereof), out of the net proceeds received by us or our subsidiaries from funds raised in the public international debt capital markets subject to specific exceptions and (ii) for both Facility A and Facility B, where a person or a group of persons acting in concert (other than our controlling shareholder, Stichting Anheuser-Busch InBev or any of its certificate holders or any persons or group of persons acting in concert with such persons) acquires control of us.

## D. EXCHANGE CONTROLS

There are no Belgian exchange control regulations that would affect the remittance of dividends to non-resident holders of our shares. See "Item 5. Operating and Financial Review—G. Liquidity and Capital Resources—Transfers from Subsidiaries" for a discussion of various restrictions applicable to transfers of funds by our subsidiaries.

## E. TAXATION

### Belgian Taxation

The following paragraphs are a summary of material Belgian tax consequences of the ownership of our shares or ADSs by an investor. The summary is based on laws, treaties and regulatory interpretations in effect in Belgium on the date of this document, all of which are subject to change, including changes that could have retroactive effect.

The summary only discusses Belgian tax aspects which are relevant to U.S. holders of our shares or ADSs ("**Holders**"). This summary does not address Belgian tax aspects which are relevant to persons who are residents in Belgium or engaged in a trade or business in Belgium through a permanent establishment or a fixed base in Belgium. This summary does not purport to be a description of all of the tax consequences of the ownership of our shares or ADSs, and does not take into account the specific circumstances of any particular investor, some of which may be subject to special rules, or the tax laws of any country other than Belgium. This summary does not describe the tax treatment of investors that are subject to special rules, such as banks, insurance companies, collective investment undertakings, dealers in securities or currencies, persons that hold, or will hold, our shares or ADSs in a position in a straddle, share-repurchase transaction, conversion transactions, synthetic security or other integrated financial transactions.

Investors should consult their own advisers regarding the tax consequences of an investment in our shares or ADSs in the light of their particular circumstances, including the effect of any state, local or other national laws.

#### *Dividend Withholding Tax*

As a general rule, a withholding tax of 25% is levied on the gross amount of dividends paid on or attributed to our shares or ADSs, subject to such relief as may be available under applicable domestic or tax treaty provisions. Dividends subject to the dividend withholding tax include all benefits paid on or attributed to our shares or ADSs, irrespective of their form, as well as reimbursements of statutory share capital, except reimbursements of fiscal capital made in accordance with the Belgian Companies Code. In principle, fiscal capital includes paid-up statutory share capital, and subject to certain conditions, the paid-up issue premiums and the cash amounts subscribed to at the time of the issue of profit-sharing certificates.

If we redeem our own shares or ADSs, the redemption distribution (after deduction of the portion of fiscal capital represented by our redeemed shares or ADSs) will be treated as a dividend, which in certain circumstances may be subject to a withholding tax of 25%, subject to such relief as may be available under applicable domestic or tax treaty provisions. No withholding tax will be triggered if such redemption is carried out on a stock exchange and meets certain conditions. In case of our liquidation, any amounts distributed in excess of the fiscal capital will be subject to the 10% withholding tax, subject to such relief as may be available under applicable domestic or tax treaty provisions.

For non-resident individuals and companies, the dividend withholding tax will be the only tax on dividends in Belgium, unless the non-resident holds our shares or ADSs in connection with a business conducted in Belgium, through a fixed base in Belgium or a Belgian permanent establishment.

***Relief of Belgian dividend withholding tax***

Under the income tax convention between the United States of America and Belgium (the "**Treaty**"), there is a reduced Belgian withholding tax rate of 15% on dividends paid by us to a U.S. resident that beneficially owns the dividends and is entitled to claim the benefits of the Treaty under the limitation of benefits article included in the Treaty ("**Qualifying Holders**"). If such Qualifying Holder is a company that owns directly at least 10% of our voting stock, the Belgian withholding tax rate is further reduced to 5%. No withholding tax is, however, applicable if the Qualifying Holder is: (i) a company that is a resident of the United States that has owned directly our shares or ADSs representing at least 10% of our capital for a 12-month period ending on the date the dividend is declared, or (ii) a pension fund that is a resident of the United States, provided that such dividends are not derived from the carrying on of a business by the pension fund or through an associated enterprise.

Under the normal procedure, we or our paying agent must withhold the full Belgian withholding tax (without taking into account the Treaty rate). Qualifying Holders may make a claim for reimbursement for amounts withheld in excess of the rate defined by the Treaty. The reimbursement form (Form 276 Div-Aut.) may be obtained from the Bureau Central de Taxation Bruxelles-Etranger, 33 Boulevard Roi Albert II, 33 (North Galaxy Tower B7), 1030 Brussels, Belgium. Qualifying Holders may also, subject to certain conditions, obtain the reduced Treaty rate at source. Qualifying Holders should deliver a duly completed Form 276 Div-Aut. no later than ten days after the date on which the dividend becomes payable. U.S. holders should consult their own tax advisers as to whether they qualify for reduction in withholding tax upon payment or attribution of dividends, and as to the procedural requirements for obtaining a reduced withholding tax upon the payment of dividends or for making claims for reimbursement.

Withholding tax is also not applicable, pursuant to Belgian domestic tax law, on dividends paid to certain U.S. organizations that are not engaged in any business or other profit-making activity and are exempted from income taxes in the United States, provided that such organization is not contractually obligated to redistribute the dividends to any beneficial owner of such dividends for whom it would manage our shares or ADSs and subject to certain procedural formalities.

***Capital Gains and Losses***

Pursuant to the Treaty, capital gains and/or losses realized by a Qualifying Holder from the sale, exchange or other disposition of our shares or ADSs do not fall within the scope of application of Belgian domestic tax law.

Capital gains realized on our shares or ADSs by a corporate Holder which is not entitled to claim the benefits of the Treaty under the limitation of benefits article included in the Treaty are generally not subject to taxation and losses are not deductible (provided that our shares or ADSs are neither held in connection with a business conducted in Belgium, nor through a fixed base or permanent establishment in Belgium).

Private individual Holders who are not entitled to claim the benefits of the Treaty under the limitation of benefits article included in the Treaty and which are holding our shares or ADSs as a private investment will, as a rule, not be subject to tax on any capital gains arising out of a disposal of our shares or ADSs. Losses will, as a rule, not be deductible in Belgium.

However, if the gain realized by such individual Holders on our shares or ADSs is deemed to be realized outside the scope of the normal management of such individual's private estate and the capital gain is obtained or received in Belgium, the gain will be subject to a final professional withholding tax of 30.28%. The Official Commentary to the ITC 1992 stipulates that occasional transactions on a stock exchange regarding our shares or ADSs should not be considered as transactions realized outside the scope of normal management of one's own private estate.

Capital gains realized by such individual Holders on the disposal of our shares or ADSs for consideration, outside the exercise of a professional activity, to a non-resident company (or a body constituted in a similar legal form), to a foreign State (or one of its political subdivisions or local authorities) or to a non-resident legal entity who is established outside the European Economic Area, are in principle taxable at a rate of 16.5% if, at any time during

the five years preceding the sale, such individual Holder has owned directly or indirectly, alone or with his/her spouse or with certain relatives, a substantial shareholding in us (that is, a shareholding of more than 25% of our shares).

Capital gains realized by a Holder upon the redemption of our shares or ADSs or upon our liquidation will generally be taxable as a dividend (see above).

***Estate and Gift Tax***

There is no Belgium estate tax on the transfer of our shares or ADSs on the death of a Belgian non-resident.

Donations of our shares or ADSs made in Belgium may or may not be subject to gift tax depending on the modalities under which the donation is carried out.

***Belgian Tax on Stock Exchange Transactions***

A stock market tax is normally levied on the purchase and the sale and on any other acquisition and transfer for consideration in Belgium of our existing shares or ADSs through a professional intermediary established in Belgium on the secondary market (so-called "secondary market transactions"). The applicable rate amounts to 0.25% of the consideration paid, but with a cap of EUR 740 per transaction and per party. Under current Belgian tax law, this rate and this cap will reduce to 0.22% and EUR 650, respectively, for transactions occurring from 1 January 2015.

Belgian non-residents who purchase or otherwise acquire or transfer, for consideration, existing shares or ADSs in Belgium for their own account through a professional intermediary may be exempt from the stock market tax if they deliver a sworn affidavit to the intermediary in Belgium confirming their non-resident status.

In addition to the above, no stock market tax is payable by: (i) professional intermediaries described in Article 2, 9° and 10° of the Law of 2 August 2002 acting for their own account, (ii) insurance companies described in Article 2, § 1 of the Law of 9 July 1975 acting for their own account, (iii) professional retirement institutions referred to in Article 2, 1° of the Law of 27 October 2006 relating to the control of professional retirement institutions acting for their own account, or (iv) collective investment institutions acting for their own account.

No stock market tax will thus be due by Holders on the subscription, purchase or sale of existing shares or ADSs, if the Holders are acting for their own account. In order to benefit from this exemption, the Holders must file with the professional intermediary in Belgium a sworn affidavit evidencing that they are non-residents for Belgian tax purposes.

**U.S. Taxation**

This section describes the material United States federal income tax consequences of the ownership and disposition of shares or ADSs. It applies to you only if you are a U.S. holder, as described below, and you hold your shares or ADSs as capital assets for United States federal income tax purposes. This section does not apply to you if you are a member of a special class of holders subject to special rules, including:

- a bank;
- a dealer in securities;
- a trader in securities that elects to use a mark-to-market method of accounting for securities holdings;
- a tax-exempt organization;
- a life insurance company;

- a person liable for alternative minimum tax;
- a person that actually or constructively owns 10% or more of our voting stock;
- a person that holds shares or ADSs as part of a straddle or a hedging or conversion transaction;
- a person that purchases or sells shares or ADSs as part of a wash sale for tax purposes; or
- a person whose functional currency is not the U.S. dollar.

This section is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations, published rulings and court decisions, all as currently in effect, as well as on the Treaty. These laws are subject to change, possibly on a retroactive basis. In addition, this section is based in part upon the representations of the Depositary and the assumption that each obligation in the deposit agreement and any related agreement will be performed in accordance with its terms.

You are a U.S. holder if you are a beneficial owner of shares or ADSs and you are:

- a citizen or resident of the United States;
- a domestic corporation;
- an estate whose income is subject to United States federal income tax regardless of its source; or
- a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust.

You should consult your own tax advisor regarding the United States federal, state, local, foreign and other tax consequences of owning and disposing of our shares and ADSs in your particular circumstances. In particular, you should confirm whether you qualify for the benefits of the Treaty and the consequences of failing to do so.

If a partnership holds our shares or ADSs, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. If you hold our shares or ADSs as a partner in a partnership, you should consult your tax advisor with regard to the United States federal income tax treatment of an investment in our shares or ADSs.

***Taxation of Dividends***

Under the United States federal income tax laws, and subject to the passive foreign investment company (or PFIC) rules discussed below, if you are a U.S. holder, the gross amount of any dividend we pay out of our current or accumulated earnings and profits (as determined for United States federal income tax purposes) is subject to United States federal income taxation. If you are a non-corporate U.S. holder, dividends that constitute qualified dividend income will be taxable to you at the preferential rates applicable to long-term capital gain provided that you hold our shares or ADSs for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meet other holding period requirements. Dividends we pay with respect to the shares generally will be qualified dividend income.

You must include any Belgian tax withheld from the dividend payment in this gross amount even though you do not in fact receive it. The dividend is taxable to you when you, in the case of shares, or the Depositary, in the case of ADSs, receive the dividend, actually or constructively. The dividend will not be eligible for the dividends-received deduction generally allowed to United States corporations in respect of dividends received from other United States corporations. If the dividend is paid in Euros, the amount of the dividend distribution that you must include in your income as a U.S. holder will be the U.S. dollar value of the Euro payments made, determined at the spot Euro/U.S. dollar rate on the date the dividend distribution is includible in your income, regardless of whether the payment is in fact converted into U.S. dollars. Generally, any gain or loss resulting from currency exchange

fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into U.S. dollars will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. Distributions in excess of current and accumulated earnings and profits, as determined for United States federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the shares or ADSs and thereafter as capital gain.

Subject to certain limitations, the Belgian tax withheld in accordance with the Treaty and paid over to Belgium will be creditable against your United States federal income tax liability. Special rules apply in determining the foreign tax credit limitation with respect to dividends that are subject to the preferential tax rates. To the extent a refund of the tax withheld is available to you under Belgian law or under the Treaty, the amount of tax withheld that is refundable will not be eligible for credit against your United States federal income tax liability. In addition, if you are eligible under the Treaty for a lower rate of Belgian withholding tax on a distribution with respect to the shares or ADSs, yet you do not claim such lower rate and as a result, you are subject to a greater Belgian withholding tax on the distribution than you could have obtained by claiming benefits under the Treaty, such additional Belgian withholding tax would likely not be eligible for credit against your United States federal income tax liability.

Dividends will generally be income from sources outside the United States, and depending on your circumstances, will generally be either "passive" or "general" income for purposes of computing the foreign tax credit allowable to you.

***Taxation of Capital Gains***

Subject to the PFIC rules discussed below, if you are a U.S. holder and you sell or otherwise dispose of your shares or ADSs, you will recognize capital gain or loss for United States federal income tax purposes equal to the difference between the U.S. dollar value of the amount that you realize and your tax basis, determined in U.S. dollars, in your shares or ADSs. Capital gain of a non-corporate U.S. holder is generally taxed at preferential rates where the property is held for more than one year. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. Your ability to deduct capital losses is subject to limitations.

***PFIC Rules***

We believe that our shares and ADSs should not be treated as stock of a PFIC for United States federal income tax purposes, but this conclusion is a factual determination that is made annually and thus may be subject to change. A company is considered a PFIC if, for any taxable year, either (i) at least 75% of its gross income is passive income or (ii) at least 50% of the value of its assets is attributable to assets that produce or are held for the production of passive income. If we were to be treated as a PFIC, unless a U.S. holder elects to be taxed annually on a mark-to-market basis with respect to the shares or ADSs or makes a "qualified electing fund" ("**QEF**") election the first taxable year in which we are treated as a PFIC, gain realized on the sale or other disposition of your shares or ADSs would in general not be treated as capital gain. Instead, if you are a U.S. holder, you would be treated as if you had realized such gain and certain excess distributions ratably over your holding period for the shares or ADSs and would be taxed at the highest tax rate in effect for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year. With certain exceptions, your shares or ADSs will be treated as stock in a PFIC if we were a PFIC at any time during your holding period in your shares or ADSs. Dividends that you receive from us will not be eligible for the special tax rates applicable to qualified dividend income if we are treated as a PFIC with respect to you either in the taxable year of the distribution or the preceding taxable year, but instead will be taxable at rates applicable to ordinary income. The QEF election is conditioned upon our furnishing you annually with certain tax information. We may not take the action necessary for a U.S. shareholder to make a QEF election in the event our company is determined to be a PFIC.

***Belgian Stock Market Tax***

Any Belgian stock market tax that you pay will likely not be a creditable tax for United States federal income tax purposes. However, U.S. holders are exempt from such tax if they act for their own account and certain information is provided to relevant professional intermediaries (as described under "—Belgian Taxation—Belgian Tax on Stock Exchange Transactions"). U.S. holders are urged to consult their own tax advisers regarding the potential application of Belgian tax law to the ownership and disposition of our shares or ADSs.

## F. DIVIDENDS AND PAYING AGENTS

Not applicable.

## G. STATEMENT BY EXPERTS

Not applicable.

## H. DOCUMENTS ON DISPLAY

You may read and copy any reports or other information that we file at the public reference rooms of the Securities and Exchange Commission ("**SEC**") at 100 F Street, N.E., Washington, D.C. 20549, and at the SEC's regional offices located at 3 World Financial Center, Suite 400, New York, New York 10281 and 175 W. Jackson Boulevard, Suite 900, Chicago, IL 60604. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms. Electronic filings made through the Electronic Data Gathering, Analysis and Retrieval system are also publicly available through the SEC's website on the Internet at *http://www.sec.gov*.

We also make available on our website, free of charge, our annual reports on Form 20-F and the text of our reports on Form 6-K, including any amendments to these reports, as well as certain other SEC filings, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. Our website address is *http://www.ab-inbev.com*. The information on our website is not incorporated by reference in this document.

We have filed our amended and restated articles of association and all other deeds that are to be published in the annexes to the Belgian State Gazette with the clerk's office of the Commercial Court of Brussels (Belgium), where they are available to the public. A copy of the articles of association dated 28 February 2013 has been filed as Exhibit 99.2 to Form 6-K filed on 8 March 2013, and is also available on our website under *http://www.ab-inbev.com/go/corporate_governance/bylaws.cfm*.

In accordance with Belgian law, we must prepare audited annual statutory and consolidated financial statements. The audited annual statutory and consolidated financial statements and the reports of our Board and statutory auditor relating thereto are filed with the Belgian National Bank, where they are available to the public. Furthermore, as a listed company, we publish an annual announcement preceding the publication of our annual financial report (which includes the audited annual financial statements, the report of our Board and the statutory auditor's report). In addition, we publish interim management statements. Copies of these documents are available on our website under:

- *http://www.ab-inbev.com/go/investors/reports_and_publications/statutory_accounts.cfm;*
- *http://www.ab-inbev.com/go/investors/reports_and_publications/annual_and_hy_reports.cfm;* and
- *http://www.ab-inbev.com/go/investors/reports_and_publications/quarterly_reports.cfm.*

We also disclose price sensitive information (inside information) and certain other information to the public. In accordance with the Belgian Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments that are admitted to trading on a regulated market, such information and documentation is made available through our website, press releases and the communication channels of Euronext Brussels.

Our head office is located at Brouwerijplein 1, 3000 Leuven, Belgium. Our telephone number is +32 (0)1 627 6111 and our website is *http://www.ab-inbev.com*. The contents of our website do not form a part of this Form 20-F. Although certain references are made to our website in this Form 20-F, no information on our website forms part of this Form 20-F.

Documents related to us that are available to the public (reports, our Corporate Governance Charter, written communications, financial statements and our historical financial information for each of the three financial years preceding the publication of this Form 20-F) can be consulted on our website (*http://www.ab-inbev.com*) and at: Anheuser-Busch InBev SA/NV, Brouwerijplein 1, 3000 Leuven, Belgium.

Unless stated otherwise in this Form 20-F, none of these documents form part of this Form 20-F.

## I. SUBSIDIARY INFORMATION

Not applicable.

## ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

### Market Risk, Hedging and Financial Instruments

We are exposed to foreign currency, interest rate, commodity price, liquidity, equity and credit risks in the normal course of our business. We analyze each of these risks individually as well as on an interconnected basis, and define strategies to manage the economic impact on our performance in line with our financial risk management policy. Management meets on a frequent basis and is responsible for reviewing the results of the risk assessment, approving recommended risk management strategies, monitoring compliance with the financial risk management policy and reporting to the Finance Committee of our Board.

We use derivative financial instruments to manage foreign currency, interest rate, commodity price, equity and credit risks arising in the normal course of business. We do not, as a matter of policy, make use of derivative financial instruments in the context of trading.

Financial markets experienced significant volatility over the past years, which we have addressed and are continuing to address through our existing risk management policies.

Please refer to note 28 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012 for a fuller quantitative and qualitative discussion on the market risks to which we are subject and our policies with respect to managing those risks.

#### *Foreign Currency Risk*

We are exposed to foreign currency risk on borrowings, investments, (forecasted) sales, (forecasted) purchases, royalties, dividends, licenses, management fees and interest expense/income whenever they are denominated in a currency other than the functional currency of our subsidiary engaged in the relevant transaction. To manage this risk, we primarily make use of foreign currency rate agreements, exchange-traded foreign currency futures and cross-currency interest rate swaps.

As far as foreign currency risk on firm commitments and forecasted transactions is concerned, our policy is to hedge operational transactions that are reasonably expected to occur (for example, cost of goods sold and sales and marketing, general and administrative expenses) within the forecast period determined in the financial risk management policy. Operational transactions that are certain are hedged without any limitation in time. Non-operational transactions (such as acquisitions and disposals of subsidiaries) are hedged as soon as they are certain. Although we systematically hedge our transactional foreign exchange exposure, we do not hedge translational exposure.

As of 31 December 2012, we have locked in all of our anticipated transactional exposure for 2013 for the most important currency pairs such as Brazilian real/USD and USD/Argentinean peso. Some exposures such as USD/Ukrainian hryvnia, and EUR/Ukrainian hryvnia, had been either mostly or partially covered due to the fact that hedging can be limited in certain Eastern European countries as the local foreign exchange market prevents us from hedging at a reasonable cost.

We have performed analyses in relation to our foreign currency transaction exposures using a currency sensitivity model that identified varying ranges of possible closing rates for 2012, factoring in the possible volatility in those exchange rates (see note 28 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012). Based on such analysis, we estimate that if certain currencies (primarily in certain Eastern European countries) had weakened or strengthened against the U.S. dollar or euro during 2012, our 2012 profit before taxes would have been USD 12 million higher or lower, respectively, while the pre-tax translation reserves in equity would have been USD 261 million higher or lower, respectively.

Foreign exchange rates have been subject to significant volatility in the recent past and may be again in the future. See note 28 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012 for details of the above sensitivity analyses, a fuller quantitative and qualitative discussion on the foreign currency risks to which we are subject and our policies with respect to managing those risks.

***Interest Rate Risk***

We are exposed to interest rate risk on our variable-rate interest-bearing financial liabilities. As of 31 December 2012, after certain hedging and fair value adjustments, USD 5.7 billion, or 12.9%, of our interest-bearing financial liabilities (which include loans, borrowings and bank overdrafts) bore a variable interest rate. We apply a dynamic interest rate hedging approach where the target mix between fixed and floating rate is reviewed periodically. The purpose of our policy is to achieve an optimal balance between cost of funding and volatility of financial results, while taking into account market conditions as well as our overall business strategy. From time to time, we enter into interest rate swap agreements and forward rate agreements to manage our interest rate risk, and also enter into cross-currency interest rate swap agreements to manage both our foreign currency risk and interest rate risk.

We have performed sensitivity analyses in relation to our interest-bearing financial liabilities and assets that bear a variable rate of interest, factoring in a range of possible volatilities in the different markets where we hold such instruments (see note 28 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012). We have estimated that a change in market interest rates based on the range of volatilities considered in our analysis could have impacted our 2012 interest expense by plus or minus USD 14 million in relation to our floating rate debt. Such increase or decrease would be more than offset by an USD 47 million decrease or increase in interest income on our interest-bearing financial assets.

Interest rates have been subject to significant volatility in the recent past and may be again in the future. See note 28 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012 for details of the above sensitivity analyses, a fuller quantitative and qualitative discussion on the interest rate risks to which we are subject and our policies with respect to managing those risks.

***Commodity Price Risk***

We have significant exposures to the following commodities: aluminum, barley, corn grits, coal, corn syrup, corrugated cardboard, fuel oil, glass, hops, labels, malt, natural gas, orange juice, rice, steel and wheat. The commodity markets have experienced and are expected to continue to experience price fluctuation in the future. We therefore use both fixed-price purchasing contracts and commodity derivatives to minimize exposure to commodity price volatility, primarily for aluminum and sugar.

As of 31 December 2012, we had the following commodity derivatives outstanding, by maturity:

| | Notional | | | | Fair Value[(1)] |
|---|---|---|---|---|---|
| **Commodities** | **<1 year** | **1-5 years** | **>5 years** | **Total** | |
| Aluminum swaps | 1,351 | 54 | — | 1,405 | (109) |
| Other commodity derivatives | 820 | 201 | — | 1,027 | (12) |

Note:

(1) Represents the excess of assets over liabilities as of 31 December 2012.

These hedges are designated in a cash flow hedge accounting relationship in accordance with IAS 39.

See note 28 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012 for a fuller quantitative and qualitative discussion on the commodity risks that we are subjected to, and our policies with respect to managing those risks.

***Other Risks***

See note 28 to our audited consolidated financial statements as of 31 December 2012 and 2011, and for the three years ended 31 December 2012 for a fuller quantitative and qualitative discussion on the equity, credit and liquidity risks to which we are subject and our policies with respect to managing those risks.

## ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

### A. DEBT SECURITIES

Not applicable.

### B. WARRANTS AND RIGHTS

Not applicable.

### C. OTHER SECURITIES

Not applicable.

### D. AMERICAN DEPOSITARY SHARES

Pursuant to our registration statement on Form 20-F declared effective by the SEC on 15 September 2009, we registered American Depositary Shares ("**ADSs**") which are represented by American Depositary Receipts ("**ADRs**") in a sponsored facility. The deposit agreement is among us, The Bank of New York Mellon, as ADR depositary, and all holders from time to time of ADRs issued under the deposit agreement. Copies of the deposit agreement are also on file at the ADR depositary's corporate trust office and the office of the custodian. They are open to inspection by owners and holders during business hours.

**American Depositary Shares**

The Bank of New York Mellon, as depositary, will register and deliver American Depositary Shares, also referred to as ADSs. Each ADS will represent one share (or a right to receive one share) deposited with the principal Brussels office of ING Belgium SA/NV, as custodian for the depositary. Each ADS will also represent any other securities, cash or other property which may be held by the depositary. The depositary's corporate trust office at which the ADSs will be administered is located at 101 Barclay Street, New York, New York 10286. The Bank of New York Mellon's principal executive office is located at One Wall Street, New York, New York 10286.

You may hold ADSs either (A) directly (i) by having an American Depositary Receipt, also referred to as an ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (ii) by having ADSs registered in your name in the Direct Registration System, or (B) indirectly by holding a security entitlement in ADSs through your broker or other financial institution. If you hold ADSs directly, you are a registered ADS holder, also referred to as an ADS holder. This description assumes you are an ADS holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

The Direct Registration System, or DRS, is a system administered by The Depository Trust Company, also referred to as DTC, pursuant to which the depositary may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements sent by the depositary to the registered holders of uncertificated ADSs.

As an ADS holder, we will not treat you as one of our shareholders and you will not have shareholder rights. Belgian law governs shareholder rights. The depositary will be the holder of the shares underlying your ADSs. As a registered holder of ADSs, you will have ADS holder rights. A deposit agreement among us, the depositary and you, as an ADS holder, and all other persons indirectly holding ADSs sets out ADS holder rights as well as the rights and obligations of the depositary. New York law governs the deposit agreement and the ADSs.

The following is a summary of the fee provisions of the deposit agreement. For more complete information regarding ADRs, you should read the entire deposit agreement and the form of ADR.

***Fees and Expenses payable by holders***

| ***Persons depositing or withdrawing shares or ADS holders must pay:*** | ***For:*** |
|---|---|
| $5.00 (or less) per 100 ADSs (or portion of 100 ADSs) | Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property |
| | Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates |
| The greater of (a) $.02 (or less) per ADS and (b) 6% of the cash distribution amount per ADS | Any cash distribution to ADS holders |
| A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs | Distribution of securities to holders of deposited securities by the depositary to ADS holders |
| $.02 (or less) per ADSs per calendar year | Depositary services. The combined fee for depositary services and cash distribution fees will not exceed $0.02 per ADS for any year |
| Registration or transfer fees | Transfer and registration of shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares |
| Expenses of the depositary | Cable, telex and facsimile transmissions (when expressly provided in the deposit agreement) |
| | Converting foreign currency to U.S. dollars |
| Taxes and other governmental charges that the depositary or the custodian has to pay on any ADS or share underlying an ADS, for example, stock transfer taxes, stamp duty or withholding taxes | As necessary |
| Telex or facsimile charges provided for in the deposit agreement | Expenses for depositary services |
| Any unavoidable charges incurred by the depositary or its agents for servicing the deposited securities | As necessary |

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

***Payment of Taxes***

You will be responsible for any taxes or other governmental charges payable on your ADSs or on the deposited securities represented by any of your ADSs. The depositary may refuse to register any transfer of your ADSs or allow you to withdraw the deposited securities represented by your ADSs until such taxes or other charges are paid. It may apply payments owed to you or sell deposited securities represented by your ADSs to pay any taxes owed and you will remain liable for any deficiency. If the depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to ADS holders any proceeds, or send to ADS holders any property remaining after it has paid the taxes.

***Fees payable by the depositary***

For the year ended 31 December 2012, the depositary reimbursed us for expenses we incurred, or paid amounts on our behalf to third parties in connection with the ADS program for a total sum of USD 4.8 million.

| *Expenses the depositary reimbursed us* | *Amount (in USD)* |
|---|---|
| Maintenance expenses | 4,681,905.46 |
| **Total** | 4,681,905.46 |

The depositary has also agreed to waive fees for standard costs associated with the administration of the program and has paid certain expenses directly to third parties on our behalf. The table below sets forth those expenses that the depositary paid directly to third parties for the year ended 31 December 2012.

| *Expenses the depositary paid to third parties on our behalf* | *Amount (in USD)* |
|---|---|
| Annual stock exchange listing fees | 0 |
| Standard out-of-pocket maintenance costs | 129,047.33 |
| **Total** | 129,047.33 |

## PART II

### ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

### ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

### ITEM 15. CONTROLS AND PROCEDURES

**Disclosure Controls and Procedures**

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of 31 December 2012. While there are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures, our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives. Based upon our evaluation, as of 31 December 2012, the Chief Executive Officer and Chief Financial Officer have concluded that the disclosure controls and procedures, in accordance with Exchange Act Rule 13a-15(e), (i) are effective at that level of reasonable assurance in ensuring that information required to be disclosed in the reports that are filed or submitted under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, and (ii) are effective at that level of reasonable assurance in ensuring that information to be disclosed in the reports that are filed or submitted under the Exchange Act is accumulated and communicated to the management of our company, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosure.

**Management's annual report on internal control over financial reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed, under the supervision of the Chief Executive Officer and Chief Financial Officer, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external reporting purposes in accordance with generally accepted accounting principles.

Our internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly, reflect transactions and dispositions of assets, provide reasonable assurance that transactions are recorded in the manner necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are only carried out in accordance with the authorization of our management and directors, and provide reasonable assurance regarding the prevention or timely detection of any unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Moreover, projections of any evaluation of the effectiveness of internal control to future periods are subject to a risk that controls may become inadequate because of changes in conditions and that the degree of compliance with the policies or procedures may deteriorate.

Our management has assessed the effectiveness of internal control over financial reporting based on the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, our management has concluded that our internal control over financial reporting as of 31 December 2012 was effective.

The effectiveness of internal control over financial reporting as of 31 December 2012 has been audited by PricewaterhouseCoopers Bedrijfsrevisoren BCVBA, as represented by Yves Vandenplas ("**PricewaterhouseCoopers Bedrijfsrevisoren**"), which also acted as our independent auditor. Their audit report, including their opinion on management's assessment of internal control over financial reporting, is included in our audited consolidated financial statements included in this Form 20-F.

**Changes in internal control over financial reporting**

During the period covered by this Form 20-F, we have not made any change to our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that Kees Storm and Olivier Goudet are "audit committee financial experts" as defined in Item 16A of Form 20-F under the Exchange Act and are independent directors under Rule 10A-3 under the Exchange Act.

## ITEM 16B. CODE OF ETHICS

We have adopted a Code of Conduct and Code of Dealing, each of which applies to all of our employees, including our principal executive, principal financial and principal accounting officers. Our Code of Conduct and Code of Dealing are together intended to meet the definition of "code of ethics" under Item 16B of Form 20-F under the Exchange Act. Our Code of Conduct and Code of Dealing are filed as Exhibits 11.1 and 11.2 to this Form 20-F.

If the provisions of the code that apply to our principal executive officer, principal financial officer or principal accounting officer are amended, or if a waiver is granted, we will disclose such amendment or waiver.

## ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

PricewaterhouseCoopers Bedrijfsrevisoren acted as our independent auditor for the fiscal years ended 31 December 2012 and 2011. The table below sets forth the total amount billed to us by PricewaterhouseCoopers Bedrijfsrevisoren for services performed in 2012 and 2011, and breaks down these amounts by category of service:

| | 2012 | 2011 |
|---|---|---|
| | *(USD thousand)* | |
| Audit Fees | 8,277 | 8,530 |
| Audit-Related Fees | 359 | 771 |
| Tax Fees | 5,691 | 5,396 |
| All Other Fees | 337 | 469 |
| **Total** | **14,664** | **15,166** |

**Audit Fees**

Audit fees are fees billed for services that provide assurance on the fair presentation of financial statements and encompass the following specific elements:

- An audit opinion on our consolidated financial statements;
- An audit opinion on the statutory financial statements of individual companies within the AB InBev Group, where legally required;
- A review opinion on interim financial statements;
- In general, any opinion assigned to the statutory auditor by local legislation or regulations.

**Audit-Related Fees**

Audit-related fees are fees for assurance services or other work traditionally provided to us by external audit firms in their role as statutory auditors. These services usually result in a certification or specific opinion on an investigation or specific procedures applied, and include the following:

- Opinions/audit reports on information provided by us at the request of a third party (for example, prospectuses, comfort letters).

**Tax Fees**

Tax fees in 2012 were primarily related to services incurred in connection with expat services and services related to due diligence work, and tax fees in 2011 were related to tax compliance and tax advisory services.

**All Other Fees**

All other fees in 2012 primarily related to due diligence and internal control framework, and in 2011 primarily related to due diligence and IT outsourcing.

**Pre-Approval Policies and Procedures**

The advance approval of the Audit Committee or member thereof, to whom approval authority has been delegated, is required for all audit and non-audit services provided by our auditors.

Prior to 27 April 2012, the pre-approval policy of the Audit Committee allowed the Vice-President of Corporate Audit to approve in advance the following services, capped at USD 150,000 for each service: statutory or financial audits, services associated with registrations with Belgian and U.S. regulators as well as other documents issued in connection with the offering of securities, accounting advisory on the application of accounting standards, regulatory accounting including Belgian and U.S. SEC filings, responding to regulatory inquiries and training sessions, services related to acquisitions or disposals such as due diligence, audit of opening balance sheet, working capital verification, audit of carve-out financial statements and reports in connection with stock exchange requirements, audit of financial statements of employee benefit plans, preparation and review of tax returns, assistance in connection with field audits by tax authorities, expatriate and individual income tax returns except for individuals in a financial reporting oversight role, advice on pending or proposed tax legislation and tax guidance on proposed tax transactions.

The Audit Committee decided as of 27 April 2012 to change the Pre-Approval Procedure. The advance approval of the Chairman of the Audit Committee is required for all audit and non-audit services provided by our auditors. The Vice-President of Corporate Audit can no longer pre-approve services provided by our auditors.

Our auditors and management report, on a quarterly basis, to the Audit Committee regarding the extent of the services provided and the fees for the services performed to date.

## ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

None.

## ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER

There are no outstanding buy-back programs of our shares.

The following table sets forth certain information related to purchases made by the AB InBev Group of our shares or ADSs:

| | Total Number of Shares Purchased *(number of shares)* | Average Price Paid per Share *(USD)* | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs *(number of shares)* | Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs *(USD million)* |
|---|---|---|---|---|
| 1 January 2012 – 31 January 2012 | 1,498 | (1) | — | — |
| 1 February 2012 – 28 February 2012 | — | — | — | — |
| 1 March 2012 – 31 March 2012 | 833 | (1) | — | — |
| 1 April 2012 – 30 April 2012 | 1,187 | (1) | — | — |
| 1 May 2012 – 31 May 2012 | — | — | — | — |
| 1 June 2012 – 30 June 2012 | — | — | — | — |
| 1 July 2012 – 31 July 2012 | 4,998 | (1) | — | — |
| 1 August 2012 – 31 August 2012 | — | — | — | — |
| 1 September 2012 – 30 September 2012 | — | — | — | — |
| 1 October 2012 – 31 October 2012 | — | — | — | — |
| 1 November 2012 – 30 November 2012 | 352 | (1) | — | — |
| 1 December 2012 – 31 December 2012 | — | — | — | — |
| **Total** | 8,868 | (1) | — | — |

Note:

(1) Under certain of our share-based compensation plans, shares are granted to employees at a discount. See "Item 6. Directors, Senior Management and Employees—B. Compensation—Share-Based Payment Plans—Ambev Exchange of Share-Ownership Program." The discount is granted in the form of additional shares, and if such employees leave the AB InBev Group prior to the end of the applicable vesting period, we take back the shares representing the discount. Technically, all of the "discount" shares are repurchased from the employee by our subsidiary, Brandbrew, for an aggregate price of EUR 1, or USD 1 if the individual is located in the United States.

## ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

## ITEM 16G. CORPORATE GOVERNANCE

We believe the following to be the significant differences between our corporate governance practices and those applicable to U.S. companies under the NYSE listing standards.

In general, the 2009 Belgian Corporate Governance Code that applies to us is a code of best practices applied to listed companies on a non-binding basis. The Code applies a "comply or explain" approach. That is, companies may depart from the Code's provisions if they give a reasoned explanation of the reasons for doing so.

Under the NYSE listing standards, a majority of the directors of a listed U.S. company are required to be independent, while in Belgium, only three directors need be independent. As of 31 December 2012, our Board of Directors comprised three independent directors and eight non-independent directors. None of the eight non-independent directors serve as part of our management, and seven of these eight directors are deemed not to be "independent" under the NYSE listing standards solely because they serve as directors of our majority shareholder, Stichting Anheuser-Busch InBev.

The NYSE rules further require that the audit, nominating and compensation committees of a listed U.S. company be composed entirely of independent directors, including that there be a minimum of three members on the audit committee. The Belgian Corporate Governance Code recommends only that a majority of the directors on each of these committees meet the technical requirements for independence under Belgian corporate law. As of 1 January 2013, all voting members of the Audit Committee are independent under the NYSE rules and Rule 10A-3 of the Securities Exchange Act of 1934. However, four of the five directors on our Nomination Committee and one of the three directors on our Remuneration Committee would not meet the NYSE independence requirements. As the Nomination Committee and Remuneration Committee are composed exclusively of non-executive directors who are independent of management and free from any business relationship that could materially interfere with the exercise of their independent judgment, we consider that the composition of these committees achieves the Belgian Corporate Governance Code's aim of avoiding potential conflicts of interest.

We consider that the terms of reference of our board committees are generally responsive to the relevant NYSE rules, but may not address all aspects of these rules.

## ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

## PART III

### ITEM 17. FINANCIAL STATEMENTS

We have elected to provide financial statements pursuant to Item 18.

### ITEM 18. FINANCIAL STATEMENTS

The audited consolidated financial statements as required under Item 18 are attached hereto starting on page F-1 of this Form 20-F. The audit report of PricewaterhouseCoopers Bedrijfsrevisoren, independent registered public accounting firm, is included herein preceding the audited consolidated financial statements.

### ITEM 19. EXHIBITS

1.1 Consolidated Articles of Association of Anheuser-Busch InBev SA/NV, dated as of 28 February 2013 (English-language translation) (incorporated by reference to Exhibit 99.2 to Form 6-K filed by Anheuser-Busch InBev SA/NV on 8 March 2013).

2.1 Indenture, dated as of 16 October 2009, among Anheuser-Busch InBev Worldwide Inc., Anheuser-Busch InBev SA/NV, Brandbrew S.A., Cobrew NV/SA and Anheuser Busch Companies, LLC and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") (incorporated by reference to Exhibit 4.1 to Form F-4 (File No. 333-163464) filed by Anheuser-Busch InBev SA/NV on 3 December 2009).

2.2 Fifth Supplemental Indenture, dated as of 27 November 2009, among Anheuser-Busch InBev Worldwide Inc., Anheuser-Busch InBev SA/NV, the Subsidiary Guarantors named therein, and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.6 to Form F-4 (File No. 333-163464) filed by Anheuser-Busch InBev SA/NV on 3 December 2009).

2.3 Tenth Supplemental Indenture, dated as of 7 April 2010, among Anheuser-Busch InBev Worldwide Inc., Anheuser-Busch InBev SA/NV, the Subsidiary Guarantors named therein, and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 2.3 to Form 20-F (File No. 001-34455) filed by Anheuser-Busch InBev SA/NV on 13 April 2011).

2.4 Twenty Fourth Supplemental Indenture, dated as of 6 October 2011, among Anheuser-Busch InBev Worldwide Inc., Anheuser-Busch InBev SA/NV, the Subsidiary Guarantors named therein, and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.2 to Form F-3/A (File No. 333-169514) filed by Anheuser-Busch InBev SA/NV on 7 October 2011).

2.5 Indenture, dated as of 17 January 2013, among Anheuser-Busch InBev Finance Inc., Anheuser-Busch InBev SA/NV, Brandbrew S.A., Cobrew NV/SA, Anheuser-Busch InBev Worldwide Inc. and Anheuser Busch Companies, LLC and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

3.1 Amended and Restated Anheuser-Busch InBev Shareholders Agreement (formerly InBev Shareholders Agreement and Interbrew Shareholders Agreement) dated 9 September 2009 among BRC S.à.R.L, Eugénie Patri Sébastien S.A. (formerly Eugénie Patri Sébastien SCA), Stichting Anheuser-Busch InBev (formerly Stichting InBev and Stichting Interbrew) and Rayvax Société d'Investissement NV/SA (incorporated by reference to Exhibit 3.1 to Form 20-F (File No. 001-36455) filed by Anheuser-Busch InBev SA/NV on 14 September 2009).

3.2 Voting Agreement between Stichting Anheuser-Busch InBev, Fonds InBev-Baillet Latour SPRL and Fonds Voorzitter Verhelst SPRL, dated 17 October 2008 (incorporated by reference to Exhibit 3.2 to Form 20-F filed by Anheuser-Busch InBev SA/NV on 14 September 2009).

4.1 2010 Senior Facilities Agreement for Anheuser-Busch InBev SA/NV and Anheuser-Busch InBev Worldwide Inc., dated 26 February 2010 (incorporated by reference to Exhibit 4.2 to Form 20-F filed by Anheuser-Busch InBev SA/NV on 15 April 2010).*

4.2 Letter of Amendment dated 23 June 2011 amending the 2010 Senior Facilities Agreement dated 26 February 2010 (incorporated by reference to Exhibit 4.2 to Form 20-F filed by Anheuser-Busch InBev SA/NV on 13 April 2012).*

4.3 Share-Based Compensation Plan Relating to Shares of Anheuser-Busch InBev (incorporated by reference to Exhibit 4.3 to Form S-8 (File No. 333-172069) filed by Anheuser-Busch InBev SA/NV on 4 February 2011).

4.4 Share-Based Compensation Plan Relating to American Depositary Shares of Anheuser-Busch InBev (incorporated by reference to Exhibit 4.4 to Form S-8 (File No. 333-172069) filed by Anheuser-Busch InBev SA/NV on 4 February 2011).

4.5 Long-Term Incentive Plan Relating to Shares of Anheuser-Busch InBev (incorporated by reference to Exhibit 4.3 to Form S-8 (File No. 333-171231) filed by Anheuser-Busch InBev SA/NV on 17 December 2010 and post-effectively amended by Post-Effective Amendment No. 1 to Form S-8 filed by Anheuser-Busch InBev SA/NV on 21 December 2011).

4.6 Long-Term Incentive Plan Relating to American Depositary Shares of Anheuser-Busch InBev (incorporated by reference to Exhibit 4.4 to Form S-8 (File No. 333-171231) filed by Anheuser-Busch InBev SA/NV on 17 December 2010 and post-effectively amended by Post-Effective Amendment No. 1 to Form S-8 filed by Anheuser-Busch InBev SA/NV on 21 December 2011).

4.7 Exceptional Incentive Restricted Stock Units Programme (incorporated by reference to Exhibit 4.5 to Form S-8 (File No. 333-171231) filed by Anheuser-Busch InBev SA/NV on 17 December 2010).

4.8 Discretionary Restricted Stock Units Programme (incorporated by reference to Exhibit 4.3 to Form S-8 (File No. 333-169272) filed by Anheuser-Busch InBev SA/NV on 8 September 2010).

4.9 Terms and Conditions of Anheuser-Busch InBev SA/NV Stock Option Plan – Stock Options Grant of 18 December 2009 (incorporated by reference to Exhibit 4.3 to Form S-8 (File No. 333-165065) filed by Anheuser-Busch InBev SA/NV on 25 February 2010 and post-effectively amended by Post-Effective Amendment No. 1 to Form S-8 filed by Anheuser-Busch InBev SA/NV on 4 February 2011).

4.10 Anheuser-Busch InBev SA/NV Long-Term Incentive Plan – Stock Options Grant of 18 December 2009 (incorporated by reference to Exhibit 4.4 to Form S-8 (File No. 333-165065) filed by Anheuser-Busch InBev SA/NV on 25 February 2010 and post-effectively amended by Post-Effective Amendment No. 1 to Form S-8 filed by Anheuser-Busch InBev SA/NV on 4 February 2011).

4.11 Forms of Stock Option Plan underlying the Dividend Waiver and Exchange Program (incorporated by reference to Exhibit 4.5 to Form S-8 (File No. 333-165065) filed by Anheuser-Busch InBev SA/NV on 25 February 2010 and post-effectively amended by Post-Effective Amendment No. 1 to Form S-8 filed by Anheuser-Busch InBev SA/NV on 4 February 2011).

4.12 Share-Based Compensation Plan March 2010 (incorporated by reference to Exhibit 4.6 to Form S-8 (File No. 333-165065) filed by Anheuser-Busch InBev SA/NV on 25 February 2010 and post-effectively amended by Post-Effective Amendment No. 1 to Form S-8 filed by Anheuser-Busch InBev SA/NV on 4 February 2011).

4.13 Share-Based Compensation Plan March 2010 for EBM, GHQ & NY (incorporated by reference to Exhibit 4.7 to Form S-8 filed by Anheuser-Busch InBev SA/NV on 25 February 2010 and post-effectively amended by Post-Effective Amendment No. 1 to Form S-8 filed by Anheuser-Busch InBev SA/NV on 4 February 2011).

4.14 2012 Senior Facilities Agreement for Anheuser-Busch InBev SA/NV, Anheuser-Busch InBev Worldwide Inc. and Cobrew NV, dated 20 June 2012.*

4.15 Transaction Agreement by and among Grupo Modelo, S.A.B. de C.V., Diblo, S.A. de C.V., Anheuser-Busch InBev SA/NV, Anheuser-Busch International Holdings, Inc. and Anheuser-Busch México Holdings, S. de R.L. de C.V., dated as of 28 June 2012 (incorporated by reference to Exhibit 99.1 to Form 6-K filed by Anheuser-Busch InBev SA/NV on 2 July 2012).

4.16 Amended and restated Membership Interest Purchase Agreement, dated 13 February 2013, among Constellation Beers Ltd., Constellation Brands Beach Holdings, Inc., Constellation Brands, Inc. and Anheuser-Busch InBev SA/NV.

| | |
|---|---|
| 4.17 | Stock Purchase Agreement between Anheuser-Busch InBev SA/NV and Constellation Brands, Inc. dated 13 February 2012.* |
| 6.1 | Description of earnings per share (included in note 22 to our audited consolidated financial statements included in this Form 20-F). |
| 7.1 | Description of ratios. |
| 8.1 | List of significant subsidiaries (included in note 35 to our audited consolidated financial statements included in this Form 20-F). |
| 11.1 | Anheuser-Busch InBev Code of Business Conduct, dated as of August 2011 (incorporated by reference to Exhibit 11.1 to Form 20-F filed by Anheuser-Busch InBev SA/NV on 13 April 2012). |
| 11.2 | Anheuser-Busch InBev Code of Dealing, dated as of February 2010 (incorporated by reference to Exhibit 11.2 to Form 20-F filed by Anheuser-Busch InBev SA/NV on 13 April 2012). |
| 12.1 | Principal Executive Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 12.2 | Principal Financial Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 13.1 | Principal Executive Officer and Principal Financial Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 15.1 | Consent of PricewaterhouseCoopers Bedrijfsrevisoren BCVBA. |

Note:

* Certain terms are omitted pursuant to a request for confidential treatment.

## SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the Registrant certifies that it meets all of the requirements for filing on Form 20-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

**Anheuser-Busch InBev SA/NV**
**(Registrant)**

Date: 25 March 2013

By: /s/ Sabine Chalmers
Name: Sabine Chalmers
Title: Chief Legal and Corporate Affairs Officer

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## AB INBEV GROUP ACTUAL HISTORICAL INFORMATION

*Audited consolidated financial statements*

To the Board of Directors and Shareholders of Anheuser-Busch InBev SA/NV

**Report of Independent Registered Public Accounting Firm**

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In our opinion, the accompanying consolidated statement of financial position and the related consolidated statements of income, comprehensive income, changes in equity and cash flows present fairly, in all material respects, the financial position of Anheuser-Busch InBev SA/NV and its subsidiaries at 31 December 2012 and 2011, and the results of their operations and their cash flows for the three years ended 31 December 2012 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and in conformity with International Financial Reporting Standards as adopted by the European Union. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of 31 December 2012, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in "Management's annual report on internal control over financial reporting" as set out in Item 15 on page 181. Our responsibility is to express an opinion on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Sint-Stevens-Woluwe, 23 March 2013

PwC Bedrijfsrevisoren BCVBA
Represented by

/s/ Yves Vandenplas

Yves Vandenplas
Bedrijfsrevisor

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Consolidated financial statements

Consolidated income statement

| For the year ended 31 December<br>Million US dollar, except earnings per shares in US dollar | Notes | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| **Revenue** | | **39 758** | **39 046** | **36 297** |
| Cost of sales | | (16 447) | (16 634) | (16 151) |
| **Gross profit** | | **23 311** | **22 412** | **20 146** |
| Distribution expenses | | (3 785) | (3 313) | (2 913) |
| Sales and marketing expenses | | (5 258) | (5 143) | (4 712) |
| Administrative expenses | | (2 187) | (2 043) | (1 960) |
| Other operating income/(expenses) | 7 | 684 | 694 | 604 |
| Restructuring (including impairment losses) | 8 | (36) | (351) | (252) |
| Business and asset disposal (including impairment losses) | 8 | 58 | 78 | (16) |
| Acquisition costs business combinations | 8 | (54) | (5) | — |
| **Profit from operations** | | **12 733** | **12 329** | **10 897** |
| Finance cost | 11 | (2 550) | (3 575) | (4 261) |
| Finance income | 11 | 344 | 438 | 525 |
| **Net finance cost** | | **(2 206)** | **(3 137)** | **(3 736)** |
| Share of result of associates | 16 | 624 | 623 | 521 |
| **Profit before tax** | | **11 151** | **9 815** | **7 682** |
| Income tax expense | 12 | (1 717) | (1 856) | (1 920) |
| **Profit** | | **9 434** | **7 959** | **5 762** |
| Attributable to: | | | | |
| Equity holders of AB InBev | | 7 243 | 5 855 | 4 026 |
| Non-controlling interest | | 2 191 | 2 104 | 1 736 |
| Basic earnings per share | 22 | 4.53 | 3.67 | 2.53 |
| Diluted earnings per share | 22 | 4.45 | 3.63 | 2.50 |

Consolidated statement of comprehensive income

| For the year ended 31 December<br>Million US dollar | 2012 | 2011[1] | 2010[1] |
|---|---|---|---|
| **Profit** | **9 434** | **7 959** | **5 762** |
| **Other comprehensive income** | | | |
| Translation reserves (gains/(losses)) | | | |
| Exchange differences on translation of foreign operations | (764) | (1 037) | 1 422 |
| Effective portion of changes in fair value of net investment hedges | (104) | (229) | (816) |
| Cash flow hedges | | | |
| Recognized in equity | 123 | 25 | (120) |
| Removed from equity and included in profit or loss | (6) | 77 | 892 |
| Actuarial gains/(losses) | (378) | (676) | (191) |
| Share of other comprehensive results of associates | 475 | (820) | 385 |
| **Other comprehensive income, net of tax** | **(654)** | **(2 660)** | **1 572** |
| **Total comprehensive income** | **8 780** | **5 299** | **7 334** |
| Attributable to: | | | |
| Equity holders of AB InBev | **6 725** | **3 648** | **5 571** |
| Non-controlling interest | **2 055** | **1 651** | **1 763** |

The accompanying notes are an integral part of these consolidated financial statements.

[1] Reclassified to conform to the 2012 presentation.

Consolidated statement of financial position

| As at 31 December<br>Million US dollar | Notes | 2012 | 2011 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 13 | 16 461 | 16 022 |
| Goodwill | 14 | 51 766 | 51 302 |
| Intangible assets | 15 | 24 371 | 23 818 |
| Investments in associates | 16 | 7 090 | 6 696 |
| Investment securities | 17 | 256 | 244 |
| Deferred tax assets | 18 | 807 | 673 |
| Employee benefits | 24 | 12 | 10 |
| Trade and other receivables | 20 | 1 228 | 1 339 |
| | | **101 991** | **100 104** |
| **Current assets** | | | |
| Investment securities | 17 | 6 827 | 103 |
| Inventories | 19 | 2 500 | 2 466 |
| Income tax receivable | | 195 | 312 |
| Trade and other receivables | 20 | 4 023 | 4 121 |
| Cash and cash equivalents | 21 | 7 051 | 5 320 |
| Assets held for sale | | 34 | 1 |
| | | **20 630** | **12 323** |
| **Total assets** | | **122 621** | **112 427** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Issued capital | 22 | 1 734 | 1 734 |
| Share premium | | 17 574 | 17 557 |
| Reserves | | 157 | 381 |
| Retained earnings | | 21 677 | 17 820 |
| **Equity attributable to equity holders of AB InBev** | | **41 142** | **37 492** |
| **Non-controlling interest** | | 4 299 | 3 552 |
| | | **45 441** | **41 044** |
| **Non-current liabilities** | | | |
| Interest-bearing loans and borrowings | 23 | 38 951 | 34 598 |
| Employee benefits | 24 | 3 699 | 3 440 |
| Deferred tax liabilities | 18 | 11 168 | 11 279 |
| Trade and other payables | 27 | 2 313 | 1 548 |
| Provisions | 26 | 641 | 874 |
| | | **56 772** | **51 739** |
| **Current liabilities** | | | |
| Bank overdrafts | 21 | — | 8 |
| Interest-bearing loans and borrowings | 23 | 5 390 | 5 559 |
| Income tax payable | | 543 | 499 |
| Trade and other payables | 27 | 14 295 | 13 337 |
| Provisions | 26 | 180 | 241 |
| | | **20 408** | **19 644** |
| **Total equity and liabilities** | | **122 621** | **112 427** |

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

| Million US dollar | Attributable to equity holders of AB InBev[1] | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Issued capital | Share premium | Treasury shares | Share-based payment reserves | Translation reserves | Hedging reserves | Actuarial gains/ (losses) | Retained earnings | Total | Non-controlling interest | Total equity |
| **As per 1 January 2010** | **1 732** | **17 515** | **(1 289)** | **268** | **3 243** | **(1 052)** | **(547)** | **10 448** | **30 318** | **2 853** | **33 171** |
| **Profit** | **—** | **—** | **—** | **—** | **—** | **—** | **—** | **4 026** | **4 026** | **1 736** | **5 762** |
| **Other comprehensive income** | | | | | | | | | | | |
| Exchange differences on translation of foreign operations (gains/(losses)) | — | — | — | — | 554 | — | — | — | 554 | 52 | 606 |
| Cash flow hedges | — | — | — | — | — | 746 | — | — | 746 | 26 | 772 |
| Actuarial gains/(losses) | — | — | — | — | — | — | (140) | — | (140) | (51) | (191) |
| Share of other comprehensive results of associates | — | — | — | — | 385 | — | — | — | 385 | — | 385 |
| **Total comprehensive income** | **—** | **—** | **—** | **—** | **939** | **746** | **(140)** | **4 026** | **5 571** | **1 763** | **7 334** |
| Shares issued | 1 | 20 | — | — | — | — | — | — | 21 | — | 21 |
| Dividends | — | — | — | — | — | — | — | (836) | (836) | (1 119) | (1 955) |
| Treasury shares | — | — | 56 | — | — | — | — | — | 56 | 4 | 60 |
| Share-based payments | — | — | — | 111 | — | — | — | — | 111 | 15 | 126 |
| Scope and other changes | — | — | — | — | — | — | — | 18 | 18 | 24 | 42 |
| **As per 31 December 2010** | **1 733** | **17 535** | **(1 233)** | **379** | **4 182** | **(306)** | **(687)** | **13 656** | **35 259** | **3 540** | **38 799** |

| Million US dollar | Attributable to equity holders of AB InBev[2] | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Issued capital | Share premium | Treasury shares | Share-based payment reserves | Translation reserves | Hedging reserves | Actuarial gains/ (losses) | Retained earnings | Total | Non-controlling interest | Total equity |
| **As per 1 January 2011** | **1 733** | **17 535** | **(1 233)** | **379** | **4 182** | **(306)** | **(687)** | **13 656** | **35 259** | **3 540** | **38 799** |
| **Profit** | **—** | **—** | **—** | **—** | **—** | **—** | **—** | **5 855** | **5 855** | **2 104** | **7 959** |
| **Other comprehensive income** | | | | | | | | | | | |
| Exchange differences on translation of foreign operations (gains/(losses)) | — | — | — | — | (944) | — | — | — | (944) | (322) | (1 266) |
| Cash flow hedges | — | — | — | — | — | 118 | — | — | 118 | (16) | 102 |
| Actuarial gains/(losses) | — | — | — | — | — | — | (561) | — | (561) | (115) | (676) |
| Share of other comprehensive results of associates | — | — | — | — | (820) | — | — | — | (820) | — | (820) |
| **Total comprehensive income** | **—** | **—** | **—** | **—** | **(1 764)** | **118** | **(561)** | **5 855** | **3 648** | **1 651** | **5 299** |
| Shares issued | 1 | 22 | — | — | — | — | — | — | 23 | — | 23 |
| Dividends | — | — | — | — | — | — | — | (1 686) | (1 686) | (1 742) | (3 428) |
| Treasury shares | — | — | 96 | — | — | — | — | — | 96 | (10) | 86 |
| Share-based payments | — | — | — | 157 | — | — | — | — | 157 | 18 | 175 |
| Scope and other changes | — | — | — | — | — | — | — | (5) | (5) | 95 | 90 |
| **As per 31 December 2011** | **1 734** | **17 557** | **(1 137)** | **536** | **2 418** | **(188)** | **(1 248)** | **17 820** | **37 492** | **3 552** | **41 044** |

[1] Reclassified to conform to the 2011 presentation.
[2] Reclassified to conform to the 2012 presentation.

| Million US dollar | Attributable to equity holders of AB InBev | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Issued capital | Share premium | Treasury shares | Share-based payment reserves | Translation reserves | Hedging reserves | Actuarial gains/ (losses) | Retained earnings | Total | Non-controlling interest | Total equity |
| **As per 1 January 2012** | **1 734** | **17 557** | **(1 137)** | **536** | **2 418** | **(188)** | **(1 248)** | **17 820** | **37 492** | **3 552** | **41 044** |
| **Profit** | **—** | **—** | **—** | **—** | **—** | **—** | **—** | **7 243** | **7 243** | **2 191** | **9 434** |
| **Other comprehensive income** | | | | | | | | | | | |
| Exchange differences on translation of foreign operations (gains/(losses)) | — | — | — | — | (746) | — | — | — | (746) | (122) | (868) |
| Cash flow hedges | — | — | — | — | — | 109 | — | — | 109 | 8 | 117 |
| Actuarial gains/(losses) | — | — | — | — | — | — | (356) | — | (356) | (22) | (378) |
| Share of other comprehensive results of associates | — | — | — | — | 475 | — | — | — | 475 | — | 475 |
| **Total comprehensive income** | **—** | **—** | **—** | **—** | **(271)** | **109** | **(356)** | **7 243** | **6 725** | **2 055** | **8 780** |
| Shares issued | — | 17 | — | — | — | — | — | — | 17 | — | 17 |
| Dividends | — | — | — | — | — | — | — | (2 705) | (2 705) | (1 406) | (4 111) |
| Treasury shares | — | — | 137 | — | — | — | — | (56) | 81 | (7) | 74 |
| Share-based payments | — | — | — | 157 | — | — | — | — | 157 | 18 | 175 |
| Scope and other changes | — | — | — | — | — | — | — | (625) | (625) | 87 | (538) |
| **As per 31 December 2012** | **1 734** | **17 574** | **(1 000)** | **693** | **2 147** | **(79)** | **(1 604)** | **21 677** | **41 142** | **4 299** | **45 441** |

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated cash flow statement

For the year ended 31 December
Million US dollar

| | Notes | 2012 | 2011[1] | 2010[1] |
|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | |
| Profit | | 9 434 | 7 959 | 5 762 |
| Depreciation, amortization and impairment | 10 | 2 747 | 2 783 | 2 788 |
| Impairment losses on receivables, inventories and other assets | | 106 | 47 | 150 |
| Additions/(reversals) in provisions and employee benefits | | 146 | 441 | 373 |
| Net finance cost | 11 | 2 206 | 3 137 | 3 736 |
| Loss/(gain) on sale of property, plant and equipment and intangible assets | | (68) | (39) | (113) |
| Loss/(gain) on sale of subsidiaries, associates and assets held for sale | | (19) | (71) | (58) |
| Equity-settled share-based payment expense | 25 | 201 | 203 | 156 |
| Income tax expense | 12 | 1 717 | 1 856 | 1 920 |
| Other non-cash items included in the profit | | (118) | (314) | 72 |
| Share of result of associates | 16 | (624) | (623) | (521) |
| **Cash flow from operating activities before changes in working capital and use of provisions** | | **15 728** | **15 379** | **14 265** |
| Decrease/(increase) in trade and other receivables | | (102) | 174 | (190) |
| Decrease/(increase) in inventories | | (130) | (157) | (134) |
| Increase/(decrease) in trade and other payables | | 1 331 | 1 392 | 550 |
| Pension contributions and use of provisions | | (621) | (710) | (519) |
| **Cash generated from operations** | | **16 206** | **16 078** | **13 972** |
| Interest paid | | (1 978) | (2 612) | (2 987) |
| Interest received | | 112 | 308 | 219 |
| Dividends received | | 720 | 406 | 383 |
| Income tax paid | | (1 792) | (1 694) | (1 682) |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | **13 268** | **12 486** | **9 905** |
| **INVESTING ACTIVITIES** | | | | |
| Proceeds from sale of property, plant and equipment and of intangible assets | | 175 | 120 | 221 |
| Sale of subsidiaries, net of cash disposed of | 6 | 33 | 454 | 9 |
| Acquisition of subsidiaries, net of cash acquired | 6 | (1 445) | (479) | (37) |
| Purchase of non-controlling interest | 22 | (110) | (25) | (34) |
| Proceeds from sale of associates | | — | — | 25 |
| Acquisition of property, plant and equipment and of intangible assets | 13/15 | (3 264) | (3 376) | (2 344) |
| Net proceeds from sale/(acquisition) of investment in short-term debt securities | 17 | (6 702) | 529 | (604) |
| Net proceeds from sale/(acquisition) of other assets[1] | | (42) | 36 | 202 |
| Net repayments/(payments) of loans granted | | 14 | 10 | 16 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | **(11 341)** | **(2 731)** | **(2 546)** |
| **FINANCING ACTIVITIES** | | | | |
| Net proceeds from the issue of share capital | 22 | 102 | 155 | 215 |
| Proceeds from borrowings | | 18 463 | 17 291 | 27 313 |
| Payments on borrowings | | (14 814) | (21 849) | (31 603) |
| Cash net finance costs other than interests | | 43 | (1 505) | (758) |
| Dividends paid | | (3 632) | (3 088) | (1 924) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | **162** | **(8 996)** | **(6 757)** |
| **Net increase/(decrease) in cash and cash equivalents** | | **2 089** | **759** | **602** |
| Cash and cash equivalents less bank overdrafts at beginning of year | | 5 312 | 4 497 | 3 661 |
| Effect of exchange rate fluctuations | | (350) | 56 | 234 |
| **Cash and cash equivalents less bank overdrafts at end of period** | 21 | **7 051** | **5 312** | **4 497** |

The accompanying notes are an integral part of these consolidated financial statements.

[1] Reclassified to conform to the 2012 presentation.

Notes to the consolidated financial statements

## 1. CORPORATE INFORMATION

Anheuser-Busch InBev is a publicly traded company (Euronext: ABI) based in Leuven, Belgium, with American Depositary Receipts on the New York Stock Exchange (NYSE: BUD). It is the leading global brewer and one of the world's top five consumer products companies. Beer, the original social network, has been bringing people together for thousands of years and our portfolio of well over 200 beer brands continues to forge strong connections with consumers. We invest the majority of our brand-building resources on our Focus Brands - those with the greatest growth potential such as global brands Budweiser®, Stella Artois® and Beck's®, alongside Leffe®, Hoegaarden®, Bud Light®, Skol®, Brahma®, Antarctica®, Quilmes®, Michelob Ultra®, Harbin®, Sedrin®, Klinskoye®, Sibirskaya Korona®, Chernigivske®, Hasseröder® and Jupiler®. In addition, the company owns a 50 percent equity interest in the operating subsidiary of Grupo Modelo, Mexico's leading brewer and owner of the global Corona® brand. Anheuser-Busch InBev's dedication to heritage and quality originates from the Den Hoorn brewery in Leuven, Belgium dating back to 1366 and the pioneering spirit of the Anheuser & Co brewery, with origins in St. Louis, USA since 1852. Geographically diversified with a balanced exposure to developed and developing markets, Anheuser-Busch InBev leverages the collective strengths of its approximately 118 000 employees based in 23 countries worldwide. In 2012, AB InBev realized 39.8 billion US dollar revenue. The company strives to be the Best Beer Company in a Better World.

The consolidated financial statements of the company for the year ended 31 December 2012 comprise the company and its subsidiaries (together referred to as "AB InBev" or the "company") and the company's interest in associates and jointly controlled entities.

The financial statements were authorized for issue by the Board of Directors on 23 March 2013.

## 2. STATEMENT OF COMPLIANCE

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and in conformity with IFRS as adopted by the European Union up to 31 December 2012 (collectively "IFRS"). AB InBev did not apply any European carve-outs from IFRS. AB InBev has not applied early any new IFRS requirements that are not yet effective in 2012.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements by the company and its subsidiaries.

### (A) BASIS OF PREPARATION AND MEASUREMENT

Depending on the applicable IFRS requirements, the measurement basis used in preparing the financial statements is cost, net realizable value, fair value or recoverable amount. Whenever IFRS provides an option between cost and another measurement basis (e.g. systematic re-measurement), the cost approach is applied.

### (B) FUNCTIONAL AND PRESENTATION CURRENCY

Effective 1 January 2009, the company changed the presentation currency of the consolidated financial statements from the euro to the US dollar, reflecting the post-Anheuser-Busch acquisition profile of the company's revenue and cash flows, which are now primarily generated in US dollar and US dollar-linked currencies. AB InBev believes that this change provides greater alignment of the presentation currency with AB InBev's most significant operating currency and underlying financial performance. Unless otherwise specified, all financial information included in these financial statements have been stated in US dollar and has been rounded to the nearest million. The functional currency of the parent company is the euro.

### (C) USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### (D) PRINCIPLES OF CONSOLIDATION

Subsidiaries are those companies in which AB InBev, directly or indirectly, has an interest of more than half of the voting rights or,

otherwise, has control, directly or indirectly, over the operations so as to govern the financial and operating policies in order to obtain benefits from the companies' activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Control is presumed to exist where AB InBev owns, directly or indirectly, more than one half of the voting rights (which does not always equate to economic ownership), unless it can be demonstrated that such ownership does not constitute control. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Jointly controlled entities are those entities over whose activities AB InBev has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Jointly controlled entities are consolidated using the proportionate method of consolidation.

Associates are undertakings in which AB InBev has significant influence over the financial and operating policies, but which it does not control. This is generally evidenced by ownership of between 20% and 50% of the voting rights. In certain instances, the company may hold directly and indirectly an ownership interest of 50% or more in an entity, yet not have effective control. In these instances, such investments are accounted for as associates. Associates are accounted for by the equity method of accounting, from the date that significant influence commences until the date that significant influence ceases. When AB InBev's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that AB InBev has incurred obligations in respect of the associate.

The financial statements of the company's subsidiaries, jointly controlled entities and associates are prepared for the same reporting year as the parent company, using consistent accounting policies. In exceptional cases when the financial statements of a subsidiary, jointly controlled entity or associate are prepared as of a different date from that of AB InBev (e.g. Modelo), adjustments are made for the effects of significant transactions or events that occur between that date and the date of AB InBev's financial statements. In such cases, the difference between the end of the reporting period of these subsidiaries, jointly controlled entities or associates from AB InBev's reporting period is no more than three months.

All intercompany transactions, balances and unrealized gains and losses on transactions between group companies have been eliminated. Unrealized gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of AB InBev's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

A listing of the company's most important subsidiaries and associates is set out in Note 35 *AB InBev companies*.

### (E) SUMMARY OF CHANGES IN ACCOUNTING POLICIES

A number of other new standards, amendment to standards and new interpretations became mandatory for the first time for the financial year beginning 1 January 2012, and have not been listed in these consolidated financial statements because of either their non-applicability to or their immateriality to AB InBev's consolidated financial statements.

### (F) FOREIGN CURRENCIES

#### FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are accounted for at exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date rate. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Non-monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to US dollar at foreign exchange rates ruling at the dates the fair value was determined.

#### TRANSLATION OF THE RESULTS AND FINANCIAL POSITION OF FOREIGN OPERATIONS

Assets and liabilities of foreign operations are translated to US dollar at foreign exchange rates prevailing at the balance sheet date. Income statements of foreign operations, excluding foreign entities in hyperinflationary economies, are translated to US dollar at exchange rates for the year approximating the foreign exchange rates prevailing at the dates of the transactions. The components of shareholders' equity are translated at historical rates. Exchange differences arising from the translation of shareholders' equity to US dollar at year-end exchange rates are taken to other comprehensive income (translation reserves).

In hyperinflationary economies, re-measurement of the local currency denominated non-monetary assets, liabilities, income statement accounts as well as equity accounts is made by applying a general price index. These re-measured accounts are used for conversion into US dollar at the closing exchange rate. AB InBev did not operate in hyperinflationary economies in 2011 and 2012.

#### EXCHANGE RATES

The most important exchange rates that have been used in preparing the financial statements are:

| | Closing rate | | | Average rate | | |
|---|---|---|---|---|---|---|
| 1 US dollar equals: | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Argentinean peso | 4.917311 | 4.303188 | 3.975791 | 4.544242 | 4.124808 | 3.945504 |
| Brazilian real | 2.043500 | 1.875798 | 1.666201 | 1.947644 | 1.660243 | 1.767915 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Canadian dollar | 0.995679 | 1.021330 | 0.997006 | 1.000770 | 0.981580 | 1.033045 |
| Chinese yuan | 6.230640 | 6.305587 | 6.602304 | 6.312949 | 6.467171 | 6.757342 |
| Euro | 0.757920 | 0.772857 | 0.748391 | 0.775893 | 0.709397 | 0.756302 |
| Pound sterling | 0.618538 | 0.645567 | 0.644177 | 0.629801 | 0.621823 | 0.647243 |
| Russian ruble | 30.372685 | 32.195667 | 30.184359 | 31.116623 | 28.953797 | 30.144764 |
| Ukrainian hryvnia | 7.992997 | 7.989837 | 7.912866 | 7.991152 | 7.955556 | 7.849527 |

## (G) INTANGIBLE ASSETS

### RESEARCH AND DEVELOPMENT

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized if the product or process is technically and commercially feasible, future economic benefits are probable and the company has sufficient resources to complete development. The expenditure capitalized includes the cost of materials, direct labor and an appropriate proportion of overheads. Other development expenditure is recognized in the income statement as an expense as incurred. Capitalized development expenditure is stated at cost less accumulated amortization (see below) and impairment losses (refer accounting policy P).

Amortization related to research and development intangible assets is included within the cost of sales if production related and in sales and marketing if related to commercial activities.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets.

### SUPPLY AND DISTRIBUTION RIGHTS

A supply right is the right for AB InBev to supply a customer and the commitment by the customer to purchase from AB InBev. A distribution right is the right to sell specified products in a certain territory.

Acquired customer relationships in a business combination are initially recognized at fair value as supply rights to the extent that they arise from contractual rights. If the IFRS recognition criteria are not met, these relationships are subsumed under goodwill.

Acquired distribution rights are measured initially at cost or fair value when obtained through a business combination.

Amortization related to supply and distribution rights is included within sales and marketing expenses.

### BRANDS

If part of the consideration paid in a business combination relates to trademarks, trade names, formulas, recipes or technological expertise these intangible assets are considered as a group of complementary assets that is referred to as a brand for which one fair value is determined. Expenditure on internally generated brands is expensed as incurred.

### SOFTWARE

Purchased software is measured at cost less accumulated amortization. Expenditure on internally developed software is capitalized when the expenditure qualifies as development activities; otherwise, it is recognized in the income statement when incurred.

Amortization related to software is included in cost of sales, distribution expenses, sales and marketing expenses or administrative expenses based on the activity the software supports.

### OTHER INTANGIBLE ASSETS

Other intangible assets, acquired by the company, are recognized at cost less accumulated amortization and impairment losses.

Other intangible assets also include multi-year sponsorship rights acquired by the company. These are initially recognized at the present value of the future payments and subsequently measured at cost less accumulated amortization and impairment losses.

### SUBSEQUENT EXPENDITURE

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as incurred.

### AMORTIZATION

Intangible assets with a finite life are amortized using the straight-line method over their estimated useful lives. Licenses, brewing, supply and distribution rights are amortized over the period in which the rights exist. Brands are considered to have an indefinite life unless plans exist to discontinue the brand. Discontinuance of a brand can be either through sale or termination of marketing support. When AB InBev purchases distribution rights for its own products the life of these rights is considered indefinite, unless the company has a plan to discontinue the related brand or distribution. Software and capitalized development cost related to technology are amortized over 3 to 5 years.

Brands are deemed intangible assets with indefinite useful lives and, therefore, are not amortized but tested for impairment on an annual basis (refer accounting policy P).

**GAINS AND LOSSES ON SALE**

Net gains on sale of intangible assets are presented in the income statement as other operating income. Net losses on sale are included as other operating expenses. Net gains and losses are recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, and there is no continuing managerial involvement with the intangible assets.

**(H) BUSINESS COMBINATIONS**

The company applies the purchase method of accounting to account for acquisitions of businesses. The cost of an acquisition is measured as the aggregate of the fair values at the date of exchange of the assets given, liabilities incurred and equity instruments issued. Identifiable assets, liabilities and contingent liabilities acquired or assumed are measured separately at their fair value as of the acquisition date. The excess of the cost of the acquisition over the company's interest in the fair value of the identifiable net assets acquired is recorded as goodwill.

The allocation of fair values to the identifiable assets acquired and liabilities assumed is based on various assumptions requiring management judgment.

**(I) GOODWILL**

Goodwill is determined as the excess of the consideration paid over AB InBev's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary, jointly controlled entity or associate recognized at the date of acquisition. All business combinations are accounted for by applying the purchase method. Business combinations entered into before 31 March 2004, were accounted for in accordance with IAS 22 *Business Combinations.* This means that acquired intangibles such as brands were subsumed under goodwill for those transactions. Effective 1 January 2010, when AB InBev acquires non-controlling interests any difference between the cost of acquisition and the non-controlling interest's share of net assets acquired is accounted for as an equity transaction in accordance with IAS 27 *Consolidated and Separate Financial Statements.*

In conformity with IFRS 3 *Business Combinations*, goodwill is stated at cost and not amortized but tested for impairment on an annual basis and whenever there is an indicator that the cash generating unit to which goodwill has been allocated, may be impaired (refer accounting policy P).

Goodwill is expressed in the currency of the subsidiary or jointly controlled entity to which it relates and is translated to US dollar using the year-end exchange rate.

In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

If AB InBev's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized exceeds the cost of the business combination such excess is recognized immediately in the income statement as required by IFRS 3 *Business Combinations*.

Expenditure on internally generated goodwill is expensed as incurred.

**(J) PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses (refer accounting policy P). Cost includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management (e.g. nonrefundable tax and transport cost). The cost of a self-constructed asset is determined using the same principles as for an acquired asset. The depreciation methods, residual value, as well as the useful lives are reassessed and adjusted if appropriate, annually.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets.

**SUBSEQUENT EXPENDITURE**

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. All other costs are expensed as incurred.

**DEPRECIATION**

The depreciable amount is the cost of an asset less its residual value. Residual values, if not insignificant, are reassessed annually. Depreciation is calculated from the date the asset is available for use, using the straight-line method over the estimated useful lives of the assets.

The estimated useful lives are defined in terms of the asset's expected utility to the company and can vary from one geographical area to another. On average the estimated useful lives are as follows:

| | |
|---|---|
| Industrial buildings - other real estate properties | 20 -33 years |
| Production plant and equipment: | |
| Production equipment | 10 -15 years |
| Storage, packaging and handling equipment | 5 - 7 years |
| Returnable packaging: | |
| Kegs | 2 - 10 years |
| Crates | 2 - 10 years |
| Bottles | 2 - 5 years |

| | |
|---|---|
| Point of sale furniture and equipment | 5 years |
| Vehicles | 5 years |
| Information processing equipment | 3 - 5 years |

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Land is not depreciated as it is deemed to have an indefinite life.

**GAINS AND LOSSES ON SALE**

Net gains on sale of items of property, plant and equipment are presented in the income statement as other operating income. Net losses on sale are presented as other operating expenses. Net gains and losses are recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, and there is no continuing managerial involvement with the property, plant and equipment.

**(K) ACCOUNTING FOR LEASES**

Leases of property, plant and equipment where the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are recognized as assets and liabilities (interest-bearing loans and borrowings) at amounts equal to the lower of the fair value of the leased property and the present value of the minimum lease payments at inception of the lease. Amortization and impairment testing for depreciable leased assets, is the same as for depreciable assets that are owned (refer accounting policies J and P).

Lease payments are apportioned between the outstanding liability and finance charges so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Leases of assets under which all the risks and rewards of ownership are substantially retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

**(L) INVESTMENTS**

All investments are accounted for at trade date.

**INVESTMENTS IN EQUITY SECURITIES**

Investments in equity securities are undertakings in which AB InBev does not have significant influence or control. This is generally evidenced by ownership of less than 20% of the voting rights. Such investments are designated as available-for-sale financial assets which are at initial recognition measured at fair value unless the fair value cannot be reliably determined in which case they are measured at cost. Subsequent changes in fair value, except those related to impairment losses which are recognized in the income statement, are recognized directly in other comprehensive income.

On disposal of an investment, the cumulative gain or loss previously recognized directly in other comprehensive income is recognized in profit or loss.

**INVESTMENTS IN DEBT SECURITIES**

Investments in debt securities classified as trading or as being available-for-sale are carried at fair value, with any resulting gain or loss respectively recognized in the income statement or directly in other comprehensive income. Fair value of these investments is determined as the quoted bid price at the balance sheet date. Impairment charges and foreign exchange gains and losses are recognized in the income statement.

Investments in debt securities classified as held to maturity are measured at amortized cost.

In general, investments in debt securities with maturities of more than three months when acquired and remaining maturities of less than one year are classified as short-term investments. Investments with maturities beyond one year may be classified as short-term based on their highly liquid nature and because such marketable securities represent the investment of cash that is available for current operations.

**OTHER INVESTMENTS**

Other investments held by the company are classified as available-for-sale and are carried at fair value, with any resulting gain or loss recognized directly in other comprehensive income. Impairment charges are recognized in the income statement.

**(M) INVENTORIES**

Inventories are valued at the lower of cost and net realizable value. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. The weighted average method is used in assigning the cost of inventories.

The cost of finished products and work in progress comprises raw materials, other production materials, direct labor, other direct cost and an allocation of fixed and variable overhead based on normal operating capacity. Net realizable value is the estimated selling

price in the ordinary course of business, less the estimated completion and selling costs.

Inventories are written down on a case-by-case basis if the anticipated net realizable value declines below the carrying amount of the inventories. The calculation of the net realizable value takes into consideration specific characteristics of each inventory category, such as expiration date, remaining shelf life, slow-moving indicators, amongst others.

**(N) TRADE AND OTHER RECEIVABLES**

Trade and other receivables are carried at amortized cost less impairment losses. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the balance sheet date.

An allowance for impairment of trade and other receivables is established if the collection of a receivable becomes doubtful. Such receivable becomes doubtful when there is objective evidence that the company will not be able to collect all amounts due according

to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows. An impairment loss is recognized in the statement of income, as are subsequent recoveries of previous impairments.

### (O) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all cash balances and short-term highly liquid investments with a maturity of three months or less from the date of acquisition that are readily convertible into cash. They are stated at face value, which approximates their fair value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

### (P) IMPAIRMENT

The carrying amounts of financial assets, property, plant and equipment, goodwill and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. In addition, goodwill, intangible assets that are not yet available for use and intangibles with an indefinite useful life are tested for impairment annually at the business unit level (that is one level below a reporting segment). An impairment loss is recognized whenever the carrying amount of an asset or the related cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement.

#### CALCULATION OF RECOVERABLE AMOUNT

The recoverable amount of the company's investments in unquoted debt securities is calculated as the present value of expected future cash flows, discounted at the debt securities' original effective interest rate. For equity investments classified as available for sale and quoted debt securities the recoverable amount is their fair value.

The recoverable amount of other assets is determined as the higher of their fair value less costs to sell and value in use. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The recoverable amount of the cash generating units to which the goodwill and the intangible assets with indefinite useful life belong is based on discounted future cash flows using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

#### REVERSAL OF IMPAIRMENT LOSSES

Non-financial assets other than goodwill and equity investments classified as held for sale that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### (Q) SHARE CAPITAL

#### REPURCHASE OF SHARE CAPITAL

When AB InBev buys back its own shares, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from equity under treasury shares.

#### DIVIDENDS

Dividends are recognized in the consolidated financial statements on the date that the dividends are declared unless minimum statutory dividends are required by local legislation or the bylaws of the company's subsidiaries. In such instances, statutory minimum dividends are recognized as a liability.

#### SHARE ISSUANCE COSTS

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### (R) PROVISIONS

Provisions are recognized when (i) the company has a present legal or constructive obligation as a result of past events, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**RESTRUCTURING**

A provision for restructuring is recognized when the company has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Costs relating to the ongoing activities of the company are not provided for. The provision includes the benefit commitments in connection with early retirement and redundancy schemes.

**ONEROUS CONTRACTS**

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. Such provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

**DISPUTES AND LITIGATIONS**

A provision for disputes and litigation is recognized when it is more likely than not that the company will be required to make future payments as a result of past events, such items may include but are not limited to, several claims, suits and actions both initiated by third parties and initiated by AB InBev relating to antitrust laws, violations of distribution and license agreements, environmental matters, employment related disputes, claims from tax authorities, and alcohol industry litigation matters.

**(S) EMPLOYEE BENEFITS**

**POST-EMPLOYMENT BENEFITS**

Post-employment benefits include pensions, post-employment life insurance and post-employment medical benefits. The company operates a number of defined benefit and defined contribution plans throughout the world, the assets of which are generally held in separate trustee-managed funds. The pension plans are generally funded by payments from employees and the company, and, for defined benefit plans taking account of the recommendations of independent actuaries. AB InBev maintains funded and unfunded pension plans.

a) Defined contribution plans

Contributions to defined contribution plans are recognized as an expense in the income statement when incurred. A defined contribution plan is a pension plan under which AB InBev pays fixed contributions into a fund. AB InBev has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

b) Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. For defined benefit plans, the pension expenses are assessed separately for each plan using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement. Under this method, the cost of providing pensions is charged to the income statement so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plans at least every three years. The amounts charged to the income statement include current service cost, interest cost, the expected return on any plan assets, past service costs and the effect of any curtailments or settlements. The pension obligations recognized in the balance sheet are measured at the present value of the estimated future cash outflows using interest rates based on high quality corporate bond yields, which have terms to maturity approximating the terms of the related liability, less any past service costs not yet recognized and the fair value of any plan assets. Past service costs result from the introduction of, or changes to, post-employment benefits. They are recognized as an expense over the average period that the benefits vest. Actuarial gains and losses comprise, for assets and liabilities, the effects of differences between the previous actuarial assumptions and what has actually occurred and the effects of changes in actuarial assumptions on the plans' liabilities. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of comprehensive income.

Where the calculated amount of a defined benefit liability is negative (an asset), AB InBev recognizes such pension asset to the extent of any cumulative unrecognized past service costs plus any economic benefits available to AB InBev either from refunds or reductions in future contributions.

**OTHER POST-EMPLOYMENT OBLIGATIONS**

Some AB InBev companies provide post-employment medical benefits to their retirees. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans.

**TERMINATION BENEFITS**

Termination benefits are recognized as an expense when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognized if the company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

**BONUSES**

Bonuses received by company employees and management are based on pre-defined company and individual target achievement. The estimated amount of the bonus is recognized as an expense in the period the bonus is earned. To the extent that bonuses are settled in shares of the company, they are accounted for as share-based payments.

**(T) SHARE-BASED PAYMENTS**

Different share and share option programs allow company senior management and members of the board to acquire shares of the company and some of its affiliates. AB InBev adopted IFRS 2 *Share-based Payment* on 1 January 2005 to all awards granted after 7 November 2002 that had not yet vested at 1 January 2005. The fair value of the share options is estimated at grant date, using an option pricing model that is most appropriate for the respective option. Based on the expected number of options that will vest, the fair value of the options granted is expensed over the vesting period. When the options are exercised, equity is increased by the amount of the proceeds received.

**(U) INTEREST-BEARING LOANS AND BORROWINGS**

Interest-bearing loans and borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortized cost with any difference between the initial amount and the maturity amount being recognized in the income statement (in accretion expense) over the expected life of the instrument on an effective interest rate basis.

**(V) TRADE AND OTHER PAYABLES**

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

**(W) INCOME TAX**

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case the tax effect is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the balance sheet date, and any adjustment to tax payable in respect of previous years.

In accordance with IAS 12 *Income Taxes* deferred taxes are provided using the so-called balance sheet liability method. This means that, for all taxable and deductible differences between the tax bases of assets and liabilities and their carrying amounts in the balance sheet a deferred tax liability or asset is recognized. Under this method a provision for deferred taxes is also made for differences between the fair values of assets and liabilities acquired in a business combination and their tax base. IAS 12 prescribes that no deferred taxes are recognized i) on initial recognition of goodwill, ii) at the initial recognition of assets or liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profit and iii) on differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using currently or substantively enacted tax rates.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously.

The company recognizes deferred tax assets, including assets arising from losses carried forward, to the extent that future probable taxable profit will be available against which the deferred tax asset can be utilized. A deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Tax claims are recorded within provisions on the balance sheet (refer accounting policy R).

**(X) INCOME RECOGNITION**

Income is recognized when it is probable that the economic benefits associated with the transaction will flow to the company and the income can be measured reliably.

**GOODS SOLD**

In relation to the sale of beverages and packaging, revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, and no significant uncertainties remain regarding recovery of the consideration due, associated costs or the possible return of goods, and there is no continuing management involvement with the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates, discounts for cash payments and excise taxes.

**RENTAL AND ROYALTY INCOME**

Rental income is recognized under other operating income on a straight-line basis over the term of the lease. Royalties arising from the use by others of the company's resources are recognized in other operating income on an accrual basis in accordance with the substance of the relevant agreement.

**GOVERNMENT GRANTS**

A government grant is recognized in the balance sheet initially as deferred income when there is reasonable assurance that it will be received and that the company will comply with the conditions attached to it. Grants that compensate the company for expenses incurred are recognized as other operating income on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the company for the acquisition of an asset are presented by deducting them from the acquisition cost of the related asset in accordance with IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*.

**FINANCE INCOME**

Finance income comprises interest received or receivable on funds invested, dividend income, foreign exchange gains, losses on currency hedging instruments offsetting currency gains, gains on hedging instruments that are not part of a hedge accounting relationship, gains on financial assets classified as trading as well as any gains from hedge ineffectiveness (refer accounting policy Z).

Interest income is recognized as it accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

**DIVIDEND INCOME**

Dividend income is recognized in the income statement on the date that the dividend is declared.

**(Y) EXPENSES**

**FINANCE COSTS**

Finance costs comprise interest payable on borrowings, calculated using the effective interest rate method, foreign exchange losses, gains on currency hedging instruments offsetting currency losses, results on interest rate hedging instruments, losses on hedging instruments that are not part of a hedge accounting relationship, losses on financial assets classified as trading, impairment losses on available-for-sale financial assets as well as any losses from hedge ineffectiveness (refer accounting policy Z).

All interest costs incurred in connection with borrowings or financial transactions are expensed as incurred as part of finance costs. Any difference between the initial amount and the maturity amount of interest bearing loans and borrowings, such as transaction costs and fair value adjustments, are being recognized in the income statement (in accretion expense) over the expected life of the instrument on an effective interest rate basis (refer accounting policy U). The interest expense component of finance lease payments is also recognized in the income statement using the effective interest rate method.

**RESEARCH AND DEVELOPMENT, ADVERTISING AND PROMOTIONAL COSTS AND SYSTEMS DEVELOPMENT COSTS**

Research, advertising and promotional costs are expensed in the year in which these costs are incurred. Development costs and systems development costs are expensed in the year in which these costs are incurred if they do not meet the criteria for capitalization (refer accounting policy G).

**PURCHASING, RECEIVING AND WAREHOUSING COSTS**

Purchasing and receiving costs are included in the cost of sales, as well as the costs of storing and moving raw materials and packaging materials. The costs of storing finished products at the brewery as well as costs incurred for subsequent storage in distribution centers are included within distribution expenses.

**(Z) DERIVATIVE FINANCIAL INSTRUMENTS**

AB InBev uses derivative financial instruments to mitigate the transactional impact of foreign currencies, interest rates and commodity prices on the company's performance. AB InBev's financial risk management policy prohibits the use of derivative financial instruments for trading purposes and the company does therefore not hold or issue any such instruments for such purposes. Derivative financial instruments that are economic hedges but that do not meet the strict IAS 39 *Financial Instruments: Recognition and Measurement* hedge accounting rules, however, are accounted for as financial assets or liabilities at fair value through profit or loss.

Derivative financial instruments are recognized initially at fair value. Fair value is the amount for which the asset could be exchanged or the liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of derivative financial instruments is either the quoted market price or is calculated using pricing models taking into account current market rates. These pricing models also take into account the current creditworthiness of the counterparties.

Subsequent to initial recognition, derivative financial instruments are re-measured to their fair value at balance sheet date. Depending on whether cash flow or net investment hedge accounting is applied or not, any gain or loss is either recognized directly in other comprehensive income or in the income statement.

Cash flow, fair value or net investment hedge accounting is applied to all hedges that qualify for hedge accounting when the required hedge documentation is in place and when the hedge relation is determined to be effective.

**CASH FLOW HEDGE ACCOUNTING**

When a derivative financial instrument hedges the variability in cash flows of a recognized asset or liability, the foreign currency risk of a firm commitment or a highly probable forecasted transaction, the effective part of any resulting gain or loss on the derivative financial instrument is recognized directly in other comprehensive income (hedging reserves). When the firm commitment in foreign currency or the forecasted transaction results in the recognition of a non-financial asset or a non-financial liability, the cumulative gain or loss is removed from other comprehensive income and included in the initial measurement of the asset or liability. When the hedge relates to financial assets or liabilities, the cumulative gain or loss on the hedging instrument is reclassified from other comprehensive income into the income statement in the same period during which the hedged risk affects the income statement (e.g.

when the variable interest expense is recognized). The ineffective part of any gain or loss is recognized immediately in the income statement.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss (at that point) remains in equity and is reclassified in accordance with the above policy when the hedged transaction occurs. If the hedged transaction is no longer probable, the cumulative gain or loss recognized in other comprehensive income is reclassified into the income statement immediately.

**FAIR VALUE HEDGE ACCOUNTING**

When a derivative financial instrument hedges the variability in fair value of a recognized asset or liability, any resulting gain or loss on the hedging instrument is recognized in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognized in the income statement.

**NET INVESTMENT HEDGE ACCOUNTING**

When a foreign currency liability hedges a net investment in a foreign operation, exchange differences arising on the translation of the liability to the functional currency are recognized directly in other comprehensive income (translation reserves).

When a derivative financial instrument hedges a net investment in a foreign operation, the portion of the gain or the loss on the hedging instrument that is determined to be an effective hedge is recognized directly in other comprehensive income (translation reserves), while the ineffective portion is reported in the income statement.

Investments in equity instruments or derivatives linked to and to be settled by delivery of an equity instrument are stated at cost when such equity instrument does not have a quoted market price in an active market and for which other methods of reasonably estimating fair value are clearly inappropriate or unworkable.

**(AA) SEGMENT REPORTING**

Operating segments are components of the company's business activities about which separate financial information is available that is evaluated regularly by management.

AB InBev's operating segment reporting format is geographical because the company's risks and rates of return are affected predominantly by the fact that AB InBev operates in different geographical areas. The company's management structure and internal reporting system to the Board of Directors is set up accordingly. A geographical segment is a distinguishable component of the company that is engaged in providing products or services within a particular economic environment, which is subject to risks and returns that are different from those of other segments. In accordance with IFRS 8 *Operating segments* AB InBev's reportable geographical segments were determined as North America, Latin America North, Latin America South, Western Europe, Central and Eastern Europe, Asia Pacific and Global Export and Holding Companies. The company's assets are predominantly located in the same geographical areas as its customers.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated assets comprise interest bearing loans granted, investment securities, deferred tax assets, income taxes receivable, cash and cash equivalent and derivative assets. Unallocated liabilities comprise equity and non-controlling interest, interest bearing loans, deferred tax liabilities, bank overdrafts, income taxes payable and derivative liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

**(BB) EXCEPTIONAL ITEMS**

Exceptional items are those that in management's judgment need to be disclosed by virtue of their size or incidence. Such items are disclosed on the face of the consolidated income statement or separately disclosed in the notes to the financial statements. Transactions which may give rise to exceptional items are principally restructuring activities, impairments, gains or losses on disposal of investments and the effect of the accelerated repayment of certain debt facilities.

**(CC) DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE**

A discontinued operation is a component of the company that either has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations and is part of a single coordinated plan to dispose of or is a subsidiary acquired exclusively with a view to resale.

AB InBev classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use if all of the conditions of IFRS 5 are met. A disposal group is defined as a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred. Immediately before classification as held for sale, the company measures the carrying amount of the asset (or all the assets and liabilities in the disposal group) in accordance with applicable IFRS. Then, on initial classification as held for sale, non-current assets and disposal groups are recognized at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale are included in profit or loss. The same applies to gains and losses on subsequent re-measurement. Non-current assets classified as held for sale are no longer depreciated or amortized.

**(DD) RECENTLY ISSUED IFRS**

To the extent that new IFRS requirements are expected to be applicable in the future, they have been summarized hereafter. For the year ended 31 December 2012, they have not been applied in preparing these consolidated financial statements.

***IFRS 9 Financial Instruments:***

IFRS 9 is the standard issued as part of a wider project to replace IAS 39. IFRS 9 retains but simplifies the mixed measurement model and established two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply.

***IFRS 10 Consolidated Financial Statements***, which provides a single consolidation model that identifies control as the basis for consolidation for all types of entities.

***IFRS 11 Joint Arrangements***, which establishes principles for the financial reporting by parties to a joint arrangement and replaces the current proportionate consolidation method by the equity method.

***IFRS 12 Disclosure of Interests in Other Entities***, which combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities.

***IFRS 13 Fair Value Measurement***, which does not establish new requirements for when fair value is required but provides a single source of guidance on how fair value is measured.

***IAS 19 Employee Benefits (Revised 2011):***

The amendments that are expected to have the most significant impact include:

- Expected returns on plan assets will no longer be recognized in profit or loss. Expected returns are replaced by recording interest income in profit or loss, which is calculated using the discount rate used to measure the pension obligation.
- Unvested past service costs can no longer be deferred and recognized over the future vesting period. Instead, all past service costs will be recognized at the earlier of when the amendment/curtailment occurs or when the company recognizes related restructuring or termination costs.

Similar to the 2012 effective version of IAS 19, IAS 19 (Revised 2011) does not specify where in profit of loss an entity should present the net interest component. As a consequence, the company has determined that, once IAS 19 (Revised 2011) becomes mandatory, the net interest component will be presented as part of the company's net finance cost. This change in presentation is in line with IAS 1, which permits entities to provide disaggregated information in the performance statements.

Had IAS 19 (Revised 2011) been already applied in 2012, the total pre-tax pension expense would have been 146m US dollar higher. The impact is mainly caused by the change in the calculation of returns on assets aforementioned. On the same basis, had the company presented the net interest component separately as part of its net finance cost as at 31 December 2012, profit from operations would have been 14m US dollar higher and net finance costs would have been 160m US dollar higher.

IAS 19 (Revised 2011) would cause no material impact on net defined benefit obligation at 31 December 2012.

The revised standard will be effective for annual periods beginning on or after 1 January 2013, with retrospective application required. Hence the reported numbers for 2012 will be restated accordingly for comparison purposes.

***IAS 27 Separated Financial Statements (Revised 2011)***, which has been amended for the issuance of IFRS 10 but retains the current guidance on separate financial statements.

***IAS 28 Investments in Associates (Revised 2011)***, which has been amended for conforming changes on the basis of the issuance of IFRS 10 and IFRS 11.

IFRS 9 becomes mandatory for AB InBev's 2015 consolidated financial statements. The other standards become mandatory for AB InBev's 2013 consolidated financial statements. The impacts of IAS 19 *Revised Employee Benefits* on its consolidated financial statements are described above. For the other standards aforementioned, it is anticipated that their application will not have a material impact on AB InBev's consolidated financial statements in the period of initial application.

**OTHER STANDARDS, INTERPRETATIONS AND AMENDMENTS TO STANDARDS**

A number of other amendments to standards are effective for annual periods beginning after 1 January 2012, and have not been listed above because of either their non-applicability to or their immateriality to AB InBev's consolidated financial statements.

## 4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Although each of its significant accounting policies reflects judgments, assessments or estimates, AB InBev believes that the following accounting policies reflect the most critical judgments, estimates and assumptions that are important to its business operations and the understanding of its results: business combinations, intangible assets, goodwill, impairment, provisions, share-based payments, employee benefits and accounting for current and deferred tax.

The fair values of acquired identifiable intangibles are based on an assessment of future cash flows. Impairment analyses of goodwill and indefinite-lived intangible assets are performed annually and whenever a triggering event has occurred, in order to determine whether the carrying value exceeds the recoverable amount. These calculations are based on estimates of future cash flows.

The company uses its judgment to select a variety of methods including the discounted cash flow method and option valuation models and makes assumptions about the fair value of financial instruments that are mainly based on market conditions existing at each balance sheet date.

Actuarial assumptions are established to anticipate future events and are used in calculating pension and other long-term employee benefit expense and liability. These factors include assumptions with respect to interest rates, expected investment returns on plan assets, rates of increase in health care costs, rates of future compensation increases, turnover rates, and life expectancy.

The company is subject to income tax in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income tax. There are some transactions and calculations for which the ultimate tax determination is uncertain. Some subsidiaries within the group are involved in tax audits and local enquiries usually in relation to prior years. Investigations and negotiations with local tax authorities are ongoing in various jurisdictions at the balance sheet date and, by their nature, these can take considerable time to conclude. In assessing the amount of any income tax provisions to be recognized in the financial statements, estimation is made of the expected successful settlement of these matters. Estimates of interest and penalties on tax liabilities are also recorded. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period such determination is made.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are further discussed in the relevant notes hereafter.

## 5. SEGMENT REPORTING

Segment information is presented by geographical segments, consistent with the information that is available and evaluated regularly by the chief operating decision maker. AB InBev operates its business through seven zones. Regional and operating company management is responsible for managing performance, underlying risks, and effectiveness of operations. Internally, AB InBev's management uses performance indicators such as normalized profit from operations (normalized EBIT) and normalized EBITDA as measures of segment performance and to make decisions regarding allocation of resources. These measures are reconciled to segment profit in the tables presented (figures may not add up due to rounding).

All figures in the table below are stated in million US dollar, except volume (million hls) and full time equivalents (FTE in units).

| | North America | | | Latin America North | | | Latin America South | | | Western Europe | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| **Volume** | **125** | **125** | **129** | **126** | **120** | **120** | **34** | **34** | **34** | **30** | **31** | **32** |
| **Revenue** | **16 028** | **15 304** | **15 296** | **11 455** | **11 524** | **10 018** | **3 023** | **2 704** | **2 182** | **3 625** | **3 945** | **3 937** |
| Cost of sales | (6 637) | (6 726) | (6 946) | (3 650) | (3 738) | (3 410) | (1 114) | (1 040) | (842) | (1 550) | (1 652) | (1 883) |
| Distribution expenses | (1 317) | (807) | (774) | (1 311) | (1 332) | (1 128) | (263) | (227) | (180) | (364) | (409) | (393) |
| Sales and marketing expenses | (1 798) | (1 640) | (1 565) | (1 245) | (1 263) | (1 238) | (296) | (272) | (228) | (649) | (760) | (716) |
| Administrative expenses | (458) | (475) | (526) | (600) | (535) | (518) | (93) | (85) | (75) | (267) | (305) | (291) |
| Other operating income/ (expenses) | 64 | 54 | 61 | 426 | 462 | 359 | 4 | 1 | (8) | 24 | 37 | 83 |
| **Normalized profit from operations (EBIT)** | **5 881** | **5 710** | **5 546** | **5 074** | **5 118** | **4 083** | **1 261** | **1 081** | **849** | **819** | **856** | **737** |
| Exceptional items (refer Note 8) | 47 | (188) | (237) | (26) | 21 | (34) | — | (6) | (8) | (2) | (123) | (54) |
| **Profit from operations (EBIT)** | **5 928** | **5 521** | **5 309** | **5 049** | **5 139** | **4 049** | **1 261** | **1 076** | **841** | **817** | **733** | **683** |
| Net finance cost | (437) | (591) | (503) | (362) | (168) | (98) | (56) | (60) | (55) | (357) | (360) | (291) |
| Share of result of associates | 623 | 622 | 520 | — | — | — | — | — | — | 1 | 1 | 1 |
| **Profit before tax** | **6 114** | **5 552** | **5 326** | **4 687** | **4 971** | **3 951** | **1 205** | **1 016** | **786** | **461** | **374** | **393** |
| Income tax expense | (1 386) | (1 637) | (1 454) | (491) | (765) | (637) | (340) | (289) | (230) | (138) | (84) | (98) |
| **Profit** | **4 729** | **3 915** | **3 872** | **4 195** | **4 206** | **3 314** | **866** | **727** | **556** | **322** | **290** | **295** |
| Normalized EBITDA | 6 706 | 6 573 | 6 444 | 5 801 | 5 814 | 4 780 | 1 432 | 1 254 | 1 009 | 1 155 | 1 225 | 1 099 |
| Exceptional items (including impairment) | 47 | (188) | (237) | (26) | 21 | (34) | — | (6) | (8) | (2) | (123) | (54) |
| Depreciation, amortization and impairment | (824) | (864) | (898) | (726) | (696) | (697) | (170) | (172) | (160) | (336) | (369) | (362) |
| Net finance cost | (437) | (591) | (503) | (362) | (168) | (98) | (56) | (60) | (55) | (357) | (360) | (291) |
| Share of results of associates | 623 | 622 | 520 | — | — | — | — | — | — | 1 | 1 | 1 |
| Income tax expense | (1 386) | (1 637) | (1 454) | (491) | (765) | (637) | (340) | (289) | (230) | (138) | (84) | (98) |
| **Profit** | **4 729** | **3 915** | **3 872** | **4 195** | **4 206** | **3 313** | **866** | **727** | **556** | **322** | **290** | **295** |
| Normalized EBITDA margin in % | 41.8% | 42.9% | 42.1% | 50.6% | 50.5% | 47.7% | 47.4% | 46.4% | 46.2% | 31.9% | 31.1% | 27.9% |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Segment assets | 72 845 | 71 233 | **72 412** | 18 426 | 17 133 | **17 767** | 4 176 | 3 969 | **3 564** | 5 939 | 5 676 | **5 436** |
| Intersegment elimination | | | | | | | | | | | | |
| Non-segmented assets | | | | | | | | | | | | |
| **Total assets** | | | | | | | | | | | | |
| Segment liabilities | 8 292 | 6 762 | 5 737 | 7 383 | 6 004 | 4 619 | 1 627 | 1 232 | 685 | 3 751 | 3 009 | 2 593 |
| Intersegment elimination | | | | | | | | | | | | |
| Non-segmented liabilities | | | | | | | | | | | | |
| **Total liabilities** | | | | | | | | | | | | |
| Gross capex | 449 | 384 | 282 | 1 225 | 1 703 | 1 046 | 287 | 239 | 179 | 295 | 300 | 322 |
| Additions to/(reversals of) provisions | 13 | 81 | 167 | 134 | 82 | 28 | 2 | 1 | 2 | 3 | 116 | 62 |
| FTE | 17 137 | 17 924 | 18 264 | 37 789 | 33 076 | 32 098 | 8 787 | 8 641 | 8 040 | 8 066 | 7 832 | 7 989 |

| | Central and Eastern Europe | | | Asia Pacific | | | Global Export and Holding Companies | | | Consolidated | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| **Volume** | **23** | **26** | **27** | **58** | **56** | **50** | **7** | **7** | **7** | **403** | **399** | **399** |
| **Revenue** | **1 668** | **1 755** | **1 619** | **2 690** | **2 317** | **1 767** | **1 270** | **1 496** | **1 479** | **39 758** | **39 046** | **36 297** |
| Cost of sales | (914) | (984) | (857) | (1 565) | (1 319) | (1 008) | (1 018) | (1 174) | (1 206) | (16 447) | (16 634) | (16 151) |
| Distribution expenses | (184) | (224) | (191) | (235) | (193) | (140) | (111) | (120) | (106) | (3 785) | (3 313) | (2 913) |
| Sales and marketing expenses | (400) | (420) | (353) | (670) | (588) | (439) | (200) | (200) | (174) | (5 258) | (5 143) | (4 712) |
| Administrative expenses | (113) | (108) | (109) | (274) | (221) | (148) | (382) | (314) | (292) | (2 187) | (2 043) | (1 960) |
| Other operating income/(expenses) | 5 | 2 | 7 | 121 | 90 | 47 | 40 | 48 | 54 | 684 | 694 | 604 |
| **Normalized profit from operations (EBIT)** | **62** | **21** | **117** | **67** | **86** | **79** | **(400)** | **(264)** | **(245)** | **12 765** | **12 607** | **11 165** |
| Exceptional items (refer Note 8) | (5) | — | 2 | 2 | (9) | 9 | (47) | 27 | 54 | (32) | (278) | (268) |
| **Profit from operations (EBIT)** | **57** | **21** | **118** | **69** | **77** | **88** | **(447)** | **(238)** | **(191)** | **12 733** | **12 329** | **10 897** |
| Net finance cost | (117) | (88) | (41) | — | 12 | 8 | (877) | (1 882) | (2 756) | (2 206) | (3 137) | (3 736) |
| Share of result of associates | — | — | — | — | — | — | | — | — | 624 | 623 | 521 |
| **Profit before tax** | **(60)** | **(67)** | **77** | **69** | **89** | **96** | **(1 324)** | **(2 120)** | **(2 947)** | **11 151** | **9 815** | **7 682** |
| Income tax expense | (13) | 13 | (21) | (53) | (42) | (22) | 704 | 948 | 542 | (1 717) | (1 856) | (1 920) |
| **Profit** | **(73)** | **(54)** | **56** | **16** | **47** | **74** | **(621)** | **(1 172)** | **(2 405)** | **9 434** | **7 959** | **5 762** |
| Normalized EBITDA | 257 | 225 | 323 | 396 | 356 | 292 | (234) | (90) | (77) | 15 511 | 15 357 | 13 869 |
| Exceptional items (including impairment) | (5) | — | 2 | 2 | (9) | 9 | (47) | 27 | 54 | (32) | (278) | (268) |
| Depreciation, amortization and impairment | (195) | (204) | (206) | (329) | (270) | (213) | (166) | (175) | (168) | (2 747) | (2 750) | (2 704) |
| Net finance cost | (117) | (88) | (41) | — | 12 | 8 | (877) | (1 882) | (2 756) | (2 206) | (3 137) | (3 736) |
| Share of results of associates | — | — | — | — | — | — | — | — | — | 624 | 623 | 521 |
| Income tax expense | (13) | 13 | (21) | (53) | (42) | (22) | 704 | 948 | 542 | (1 717) | (1 856) | (1 920) |
| **Profit** | **(73)** | **(54)** | **56** | **16** | **47** | **74** | **(621)** | **(1 172)** | **(2 405)** | **9 434** | **7 959** | **5 762** |
| Normalized EBITDA margin in % | 15.4% | 12.8% | 20.0% | 14.7% | 15.4% | 16.5% | — | — | — | 39.0% | 39.3% | 38.2% |
| Segment assets | 2 153 | 2 179 | 2 387 | 5 028 | 4 577 | 3 749 | 3 865 | 4 475 | 3 608 | 112 432 | 109 242 | 108 923 |
| Intersegment elimination | | | | | | | | | | (5 557) | (3 978) | (1 638) |
| Non-segmented assets | | | | | | | | | | 15 746 | 7 163 | 7 057 |
| **Total assets** | | | | | | | | | | **122 621** | **112 427** | **114 342** |
| Segment liabilities | 578 | 526 | 609 | 2 467 | 1 921 | 1 403 | 2 254 | 3 923 | 3 712 | 26 353 | 23 377 | 19 358 |
| Intersegment elimination | | | | | | | | | | (5 557) | (3 978) | (1 638) |
| Non-segmented liabilities | | | | | | | | | | 101 825 | 93 028 | 96 622 |
| **Total liabilities** | | | | | | | | | | **122 621** | **112 427** | **114 342** |
| Gross capex | 127 | 161 | 112 | 786 | 607 | 316 | 143 | 279 | 87 | 3 313 | 3 673 | 2 344 |
| Additions to/(reversals of) provisions | 1 | — | (2) | (2) | 11 | (4) | (208) | (8) | 114 | (57) | 283 | 367 |
| FTE | 9 510 | 10 551 | 10 249 | 34 455 | 36 046 | 35 475 | 1 888 | 2 208 | 2 198 | 117 632 | 116 278 | 114 313 |

Net revenue from the beer business amounted to 35 914m US dollar (2011: 34 747m US dollar; 2010: 32 616m US dollar) while the net revenue from the non-beer business (soft drinks and other business) accounted for 3 844m US dollar (2011: 4 299m US dollar; 2010: 3 681m US dollar).

Net revenue from external customers attributable to AB InBev's country of domicile (Belgium) and non-current assets located in the country of domicile represented 873m US dollar (2011: 966m US dollar; 2010: 886m US dollar) and 1 160m US dollar (2011:1 188m US dollar; 2010: 1 405m US dollar), respectively.

## 6. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

The table below summarizes the impact of acquisitions on the Statement of financial position of AB InBev for 31 December 2012 and 2011:

| Million US dollar | 2012 Acquisitions | 2011 Acquisitions | 2012 Disposals | 2011 Disposals |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Property, plant and equipment | 382 | 123 | (11) | — |
| Intangible assets | 540 | 242 | — | — |
| Deferred tax assets | — | 7 | — | — |
| Trade and other receivables | 312 | — | — | — |
| **Current assets** | | | | |
| Inventories | 39 | 18 | (4) | — |
| Income tax receivable | 5 | — | — | — |
| Trade and other receivables | 48 | 6 | — | — |
| Cash and cash equivalents | 29 | 46 | (6) | — |
| Assets held for sale | 2 | — | — | — |
| **Non-current liabilities** | | | | |
| Interest-bearing loans and borrowings | (229) | — | — | — |
| Trade and other payables | (10) | (35) | — | — |
| Employee benefits | (11) | — | — | — |
| Provisions | (21) | — | — | — |
| Deferred tax liabilities | (145) | (15) | — | — |
| **Current liabilities** | | | | |
| Interest-bearing loans and borrowings | (45) | — | — | — |
| Income tax payable | — | (2) | — | — |
| Trade and other payables | (59) | (29) | 4 | — |
| **Net identifiable assets and liabilities** | **837** | **361** | **(17)** | **—** |
| Goodwill on acquisitions | 1 113 | 158 | — | — |
| Loss/(gain) on disposal | — | — | (22) | — |
| Decrease/(increase) on non-controlling interests on shareholdings increases | (334) | — | — | — |
| Consideration to be paid | (2) | (1) | — | — |
| Net cash paid on prior years acquisitions | 14 | 7 | — | — |
| Non-cash consideration | (154) | — | — | — |
| Collection of receivables from prior years disposals | — | — | — | (454) |
| **Consideration paid/(received), satisfied in cash** | **1 474** | **525** | **(39)** | **(454)** |
| Cash (acquired)/ disposed of | (29) | (46) | 6 | — |
| **Net cash outflow/(inflow)** | **1 445** | **479** | **(33)** | **(454)** |

### 2012 ACQUISITIONS

#### ACQUISITION OF CERVECERIA NACIONAL DOMINICANA

On 11 May 2012, AB InBev announced that Ambev and E. León Jimenes S.A. ("ELJ"), which owned 83.5% of Cervecería Nacional Dominicana S.A. ("CND"), entered into a transaction to form a strategic alliance to create the leading beverage company in the Caribbean through the combination of their businesses in the region. Ambev's initial indirect interest in CND was acquired through a cash payment of 1 025m US dollar and the contribution of Ambev Dominicana. Separately, Ambev Brazil acquired an additional stake in CND of 9.3%, which was owned by Heineken N.V., for 237m US dollar at the closing date. During the second half of 2012, as part of the same transaction, Ambev acquired an additional 0.99% stake from other minority holders, through a cash payment of 36m US dollar. As at 31 December 2012 Ambev owns a total indirect interest of 52.0% in CND.

The company is in the process of finalizing the allocation of the purchase price to the individual assets acquired and liabilities assumed in compliance with IFRS 3. The provisional allocation of the purchase price included in the Statement of financial position as at 31 December is based on the current best estimates of AB InBev's management with input from independent third parties. The completion of the purchase price allocation may result in further adjustment to the carrying value of CND's recorded assets and liabilities and the determination of any residual amount that will be allocated to goodwill. The non-controlling interest of

Dominican Republic was measured based on the proportional share of the identifiable net assets. The transaction resulted in the provisional recognition of goodwill for an amount of 1 092m US dollar as at 31 December 2012. The factors that contributed to the recognition of goodwill include the acquisition of an assembled workforce and expected synergies. Part of the goodwill will be deductible for tax purposes. Acquisition related costs amount to 8m US dollar and are included in the income statement – see Note 8 *Exceptional items*.

As of the completion date of the acquisition, CND contributed 369m US dollar to the revenue and 67m US dollar to the profit of AB InBev. If the acquisition date had been 1 January 2012 it is estimated that AB InBev's revenue and profit would have been higher by 145m US dollar and 24m US dollar, respectively.

As part of the shareholders agreement between Ambev and ELJ, a put and call option is in place, which may result in Ambev acquiring additional Class B shares of CND. The put option granted to ELJ is exercisable as of the first year following the transaction and the call option is exercisable as of 1 January 2019. The valuation of these options is based on the EBITDA of the consolidated operations in Dominican Republic. As of 31 December 2012 the put option was valued at 1 040m US dollar and was recognized as a financial liability against equity. No value was allocated to the call option.

**OTHER ACQUISITIONS**

In the US, the company acquired Western Beverage LLC in Eugene, Oregon in January and K&L Distributors, Inc. in Renton, Washington in July, both major wholesalers in those territories. Furthermore, Ambev acquired all the shares issued by the company Lachaise Aromas e Participações Ltda., whose main corporate purpose is the production of flavorings, a necessary component in the production of concentrates and the company Lambert & Cia Ltda, which is a distribution center located in the southern region of Brazil. The acquired businesses had an immaterial impact on profit in 2012. The company is in the process of finalizing the allocation of the purchase price to the individual assets acquired and liabilities assumed in compliance with IFRS 3.

During 2012, AB InBev paid 14m US dollar to former Anheuser-Busch shareholders (7m US dollar in 2011). By 31 December 2012, 11m US dollar consideration remains payable to former Anheuser-Busch shareholders whom did not yet claim the proceeds. This payable is recognized as a deferred consideration on acquisitions**.**

**2011 ACQUISITIONS**

On 28 February 2011, the company closed a transaction with Dalian Daxue Group Co. Ltd and Kirin (China) Investment Co. Ltd to acquire a 100% equity interest in Liaoning Dalian Daxue Brewery Co. Ltd., which is among the top three breweries in Liaoning province. Daxue brews, markets and distributes major beer brands including "Daxue", "Xiao Bang" and "Da Bang" which are popular beer brands in the south of Liaoning province.

On 1 May 2011, the company acquired Fulton Street Brewery LLC, also known as Goose Island, a Midwest craft brewer in the United States. Goose Island brews ales, such as 312 Urban Wheat Ale, Honkers Ale, India Pale Ale, Matilda, Pere Jacques, Sofie and a wide variety of seasonal draft only and barrel-aged releases, including Bourbon County Stout, the original bourbon barrel-aged beer.

On 31 May 2011, the company closed an agreement with Henan Weixue Beer Group Co. Ltd (China) to acquire its brands (Weixue and JiGongshan), assets and business, including its Xinyang brewery, Zhengzhou brewery and Gushi Brewery.

On 30 December 2011, the company acquired Premium Beers of Oklahoma distributorship in Oklahoma City, United States, a major wholesaler in that territory.

These acquired businesses had an immaterial impact on profit in 2011.

**2012 DISPOSALS**

On 1 July 2012, AB InBev sold its investment in the company Eagle Brands Wedco in Miami, Florida, US for a total gross consideration of 39m US dollar. As a result of the sale, AB InBev recorded an exceptional gain of 22m US dollar – see Note 8 *Exceptional items*.

**2011 DISPOSALS**

No disposals occurred during 2011.

Upon completion of the sale of the Central European operations to CVC Capital Partners on 2 December 2009, the company received an unsecured deferred payment obligation with a six-year maturity. This deferred consideration with a notional amount of 300m euro had been reported for a fair value amount of 363m US dollar at year-end 2010. In July 2011, AB InBev sold the deferred consideration, including accrued interest, to a third party for a gross proceed of 454m US dollar and recognized an exceptional gain of 45m US dollar – see Note 8 *Exceptional items*.

## 7. OTHER OPERATING INCOME/(EXPENSES)

| Million US dollar | 2012 | 2011 | 2010 |
|---|---|---|---|
| Government grants | 469 | 418 | 243 |
| License income | 111 | 98 | 96 |
| Net (additions to)/reversals of provisions | (15) | 23 | (4) |
| Net gain on disposal of property, plant and equipment, intangible assets and assets held for sale | 38 | 45 | 119 |
| Net rental and other operating income | 81 | 110 | 150 |
| | **684** | **694** | **604** |
| Research expenses as incurred | 182 | 175 | 184 |

The government grants relate primarily to fiscal incentives given by certain Brazilian states and Chinese provinces, based on the company's operations and developments in those regions.

In 2012, the company expensed 182m US dollar in research, compared to 175m US dollar in 2011 and 184m US dollar in 2010. Part of this was expensed in the area of market research, but the majority is related to innovation in the areas of process optimization especially as it pertains to capacity, new product developments and packaging initiatives.

## 8. EXCEPTIONAL ITEMS

IAS 1 *Presentation of financial statements* requires material items of income and expense to be disclosed separately. Exceptional items are items, which in management's judgment, need to be disclosed by virtue of their size or incidence in order for the user to obtain a proper understanding of the financial information. The company considers these items to be of significance in nature, and accordingly, management has excluded these from their segment measure of performance as noted in Note 5 *Segment Reporting*.

The exceptional items included in the income statement are as follows:

| Million US dollar | 2012 | 2011 | 2010 |
|---|---|---|---|
| Restructuring (including impairment losses) | (36) | (351) | (252) |
| Business and asset disposal (including impairment losses) | 58 | 78 | (16) |
| Acquisition costs business combinations | (54) | (5) | — |
| **Impact on profit from operations** | **(32)** | **(278)** | **(268)** |

The exceptional restructuring charges for 2012 total (36)m US dollars. These charges primarily relate to organizational alignments in North America and Europe and to the integration of Cervecería Nacional Dominicana S.A. in order to eliminate overlap or duplicated processes. These one-time expenses, as a result of the series of decisions, provide the company with a lower cost base in addition to a stronger focus on AB InBev's core activities, quicker decision-making and improvements to efficiency, service and quality.

The 2012 business and asset disposals (including impairment losses) resulted in a net gain of 58m US dollars mainly attributable to the sale of non-core assets in the United States, with a net gain of 51m US dollars and a 7m US dollar reversal of provisions for contractual exposures related to divestitures of previous years.

Acquisition costs of business combinations amount to (54)m US dollars for the year ended 31 December 2012 relating to cost incurred for the combination with Grupo Modelo announced on 29 June 2012 and the acquisition of Cervecería Nacional Dominicana S.A. on 11 May 2012 - see also Note 6 *Acquisitions and disposals of subsidiaries*.

The 2011 exceptional restructuring charges (including impairment losses) total (351)m US dollars. These charges primarily relate to organizational alignments and outsourcing activities in Western Europe, North America, China and Latin America South.

The 2011 business and asset disposals (including impairment losses) resulted in a net gain of 78m US dollar. 45m US dollars represent the net effect of the collection in July 2011 of the deferred consideration related to the disposal of the Central European operations in 2009 - see also Note 6 *Acquisitions and disposals of subsidiaries*. Furthermore, a net gain of 21m US dollars was realized on the sale of non-core assets in Brazil and a reversal of an exceptional impairment loss on current assets was recognized for an amount of 11m US dollars.

The 2011 acquisition costs of business combinations amount to (5)m US dollars for 2011 - see also Note 6 *Acquisitions and disposals of subsidiaries*.

The company also incurred exceptional net finance costs of (18)m US dollars for the year ended 31 December 2012 versus (540)m US dollar for the year ended 31 December 2011 and (925)m US dollar for the year ended 31 December 2010 – see also Note 11 *Finance cost and income*.

The 2010 exceptional restructuring charges (including impairment losses) total (252)m US dollar. These charges are primarily related to the Anheuser-Busch integration in North America, organizational alignments and outsourcing activities in Western Europe and the closure of the Hamilton Brewery in Canada.

The 2010 business and asset disposals (including impairment losses) resulted in a net loss of (16)m US dollar mainly representing the net impact of the settlement of the deferred collection related to the 2009 disposal of the Korean subsidiary Oriental Brewery (50m US dollar), the measurement at fair value of the retained interest in the combination in Venezuela between Ambev and Cerveceria Regional S.A ((31)m US dollar), the disposal of non-core assets of Anheuser-Busch ((52)m US dollar, including a (65)m US dollar impairment loss) and a 17m US dollar adjustment of accruals and provisions relating to divestitures of previous years.

All the above amounts are before income taxes. The 2012, 2011 and 2010 exceptional items as at 31 December increased income taxes by 1m US dollar, decreased income taxes by 214m US dollar and 153m US dollar, respectively.

Non-controlling interest on the exceptional items amounts to 11m US dollar in 2012 versus 10m US dollar in 2011 and 26m US dollar in 2010.

## 9. PAYROLL AND RELATED BENEFITS

| Million US dollar | 2012 | 2011 | 2010 |
|---|---|---|---|
| Wages and salaries | (3 199) | (3 147) | (2 912) |
| Social security contributions | (607) | (574) | (512) |
| Other personnel cost | (680) | (623) | (741) |
| Pension expense for defined benefit plans | (86) | (231) | (217) |
| Share-based payment expense | (201) | (204) | (156) |
| Contributions to defined contribution plans | (41) | (39) | (44) |
| | **(4 814)** | **(4 818)** | **(4 582)** |
| Number of full time equivalents (FTE) | 117 632 | 116 278 | 114 313 |

The number of full time equivalents can be split as follows:

| | 2012 | 2011 | 2010 |
|---|---|---|---|
| AB InBev NV (parent company) | 319 | 316 | 272 |
| Other subsidiaries | 115 343 | 113 970 | 112 020 |
| Proportionally consolidated entities | 1 970 | 1 992 | 2 021 |
| | **117 632** | **116 278** | **114 313** |

Note 5 *Segment reporting* contains the split of the FTE by geographical segment.

## 10. ADDITIONAL INFORMATION ON OPERATING EXPENSES BY NATURE

Depreciation, amortization and impairment charges are included in the following line items of the 2012 income statement:

| Million US dollar | Depreciation and impairment of property, plant and equipment | Amortization and impairment of intangible assets | Impairment of goodwill |
|---|---|---|---|
| Cost of sales | 2 005 | 5 | — |
| Distribution expenses | 105 | 1 | — |
| Sales and marketing expenses | 220 | 173 | — |
| Administrative expenses | 133 | 105 | — |
| Other operating expenses | — | — | — |
| Exceptional items | — | — | — |
| | **2 463** | **284** | |

Depreciation, amortization and impairment charges were included in the following line items of the 2011 income statement:

| Million US dollar | Depreciation and impairment of property, plant and equipment | Amortization and impairment of intangible assets | Impairment of goodwill |
|---|---|---|---|
| Cost of sales | 1 982 | 5 | — |
| Distribution expenses | 111 | 1 | — |
| Sales and marketing expenses | 244 | 156 | — |
| Administrative expenses | 119 | 127 | — |
| Other operating expenses | 5 | — | — |
| Exceptional items | 33 | — | — |
| | **2 494** | **289** | **—** |

Depreciation, amortization and impairment charges were included in the following line items of the 2010 income statement:

| Million US dollar | Depreciation and impairment of property, plant and equipment | Amortization and impairment of intangible assets | Impairment of goodwill |
|---|---|---|---|
| Cost of sales | 1 943 | 11 | — |
| Distribution expenses | 126 | 1 | — |

| | | | |
|---|---|---|---|
| Sales and marketing expenses | 261 | 76 | — |
| Administrative expenses | 122 | 160 | — |
| Other operating expenses | 3 | 2 | — |
| Exceptional items | 83 | — | — |
| | **2 538** | **250** | **—** |

The depreciation, amortization and impairment of property, plant and equipment included a full-cost reallocation of 3m US dollar in 2011 and (1)m US dollar in 2010 from the aggregate depreciation, amortization and impairment expense to cost of goods sold. In 2012 this reallocation was immaterial.

## 11. FINANCE COST AND INCOME RECOGNIZED IN PROFIT OR LOSS

**FINANCE COSTS**

| Million US dollar | 2012 | 2011 | 2010 |
|---|---|---|---|
| Interest expense | (2 065) | (2 767) | (3 065) |
| Capitalization of borrowing costs | 57 | 110 | 35 |
| Accretion expense | (270) | (209) | (159) |
| Net foreign exchange losses (net of the effect of foreign exchange derivative instruments) | (103) | (26) | — |
| Tax on financial transactions | (59) | (35) | (30) |
| Other financial costs, including bank fees | (92) | (108) | (117) |
| | **(2 532)** | **(3 035)** | **(3 336)** |
| Exceptional finance costs | (18) | (540) | (925) |
| | **(2 550)** | **(3 575)** | **(4 261)** |

2012 finance costs, excluding exceptional items, decreased by 503m US dollar from prior year mainly driven by lower interest charges. This decrease was partially offset by higher accretion expenses, net foreign exchange losses and taxes on financial transactions. 2011 finance costs, excluding exceptional items, decreased by 301m US dollar also driven by lower interest charges and an increase of capitalization borrowing costs, partially offset by higher accretion expenses and net losses on foreign exchange.

2012 interest expense decreased by 702m US dollar compared to 2011. The decrease is due to lower debt positions and lower coupon resulting from the debt refinancing and repayments which occurred in 2011. 2011 interest expense decreased by 298m US dollar compared to 2010, as a result of lower debt positions, the refinancing and repayments of the 2008 and 2010 senior facilities, as well as the early redemption in 2011 of certain outstanding notes.

Borrowing costs capitalized relate to the capitalization of interest expenses directly attributable to the acquisition and construction of qualifying assets mainly in Brazil. Interests are capitalized at a borrowing rate ranging between 6% and 12.5%.

In 2011 AB InBev incurred 540m US dollar (925m US dollar in 2010) exceptional finance costs as a result of the repayments and refinancing of the senior facilities, generating negative mark-to-market adjustments resulting in hedging losses of 235m US dollar (733m US dollar in 2010) on interest rate swaps that became ineffective and incremental accretion expenses of 12m US dollar (192m US dollar in 2010). Additionally, AB InBev incurred finance costs of 245m US dollar as a result of the early redemption of a 1.25 billion US dollar note maturing in January 2014 and bearing interest at a rate of 7.20%; and of 500m US dollar securities by Ambev, maturing in September 2013 and bearing interest at a rate of 8.75% (“Bond 13”). AB InBev also incurred incremental accretion expenses of 48m US dollar related to the early redemption of certain Anheuser-Busch notes. These amounts have been recorded as exceptional finance costs.

In light of the announced acquisition of the remaining stake in Grupo Modelo, AB InBev recognized an exceptional expense of 18m US dollar in 2012 related to commitment fees for the 2012 Facilities agreement. Such commitment fees accrue and are payable periodically on the aggregate undrawn but available funds under these facilities. See also note 23 *Interest-bearing loans and borrowings*.

Interest expense is presented net of the effect of interest rate derivative instruments hedging AB InBev’s interest rate risk – see also Note 28 *Risks arising from financial instruments*.

Interest expense recognized on unhedged and hedged financial liabilities and the net interest expense from the related hedging derivative instruments can be summarized per type of hedging relationship as follows:

| Million US dollar | 2012 | 2011 | 2010 |
|---|---|---|---|
| Financial liabilities measured at amortized cost – not hedged | (1 972) | (2 153) | (1 992) |
| Fair value hedges – hedged items | (97) | (204) | (236) |
| Fair value hedges – hedging instruments | 43 | (62) | (26) |
| Cash flow hedges – hedged items | (6) | (102) | (215) |
| Cash flow hedges – hedging instruments (reclassified from equity) | (47) | (182) | (501) |
| Net investment hedges - hedging instruments (interest component) | 55 | (82) | (77) |
| Economic hedges - hedged items not part of a hedge accounting relationship | (27) | (29) | (25) |
| Economic hedges - hedging instruments not part of a hedge accounting relationship | (14) | 47 | 7 |
| | **(2 065)** | **(2 767)** | **(3 065)** |

The financial liabilities per type of hedging relationship are mainly comprised of the following:

- Financial liabilities measured at amortized cost – not hedged, relate mainly to bonds, unsecured bank loans and commercial papers;
- Fair value hedges, relate mainly to bonds hedged for the foreign currency and the interest rate fair value risk;
- Cash flow hedges, relate mainly to the 2010 senior facilities floating-rate loans, issued bonds hedged for the foreign currency and the interest rate risk and future bond issuances hedged for the interest rate risk;
- Net investment hedges contracted to hedge the net assets of the company's foreign operations from the foreign currency risk. Derivatives and non-derivatives are used to hedge foreign operations with functional currencies mainly denominated in Argentinean peso, Brazilian real, Bolivian boliviano, euro, Canadian dollar, Chilean peso, Dominican peso, pound sterling, Russian ruble, and US dollar.
- Economic hedges, for which no hedge accounting was applied, relates mainly to the Swiss franc fixed-rate bond that was hedged for the foreign currency and the interest rate risk.

For further information on instruments hedging AB InBev's interest rate risk see the section B of the Note 28 *Risks arising from financial instruments*.

**FINANCE INCOME**

| Million US dollar | 2012 | 2011 | 2010[1] |
|---|---|---|---|
| Interest income | 206 | 324 | 316 |
| Net gains on hedging instruments that are not part of a hedge accounting relationship | 108 | 58 | 113 |
| Net gains from hedge ineffectiveness | 13 | 16 | 21 |
| Other financial income | 17 | 40 | 40 |
| | **344** | **438** | 35 |
| | | | **525** |

In 2012, AB InBev incurred 108m US dollar (58m US dollar in 2011) of net gains on hedging instruments that are not part of a hedge accounting relationship arising mainly from positive results on derivative contracts entered into to hedge risks associated with different share based payment programs, partially offset by costs of currency hedges.

In 2010, net foreign exchange gains of 113m US dollar are mainly comprised of euro/US dollar currency fluctuations on intra-group transactions.

No interest income was recognized on impaired financial assets.

The interest income stems from the following financial assets:

| Million US dollar | 2012 | 2011 | 2010 |
|---|---|---|---|
| Cash and cash equivalents | 132 | 167 | 165 |
| Investment debt securities held for trading | 41 | 95 | 118 |
| Loans to customers | 3 | 7 | 6 |
| Other loans and receivables | 30 | 55 | 27 |
| | **206** | **324** | **316** |

The interest income on other loans and receivables includes the interest accrued on cash deposits given as guarantees for certain legal proceedings pending resolution.

**NET FOREIGN EXCHANGE RESULTS**

Foreign exchange results recognized on unhedged and hedged exposures and from the related hedging derivative instruments can be summarized per type of hedging relationship as follows:

| Million US dollar | 2012 | 2011 | 2010[1] |
|---|---|---|---|
| Fair value hedges - hedged items | 4 | (72) | 40 |
| Fair value hedges - hedging instruments | (4) | 75 | (40) |
| Cash flow hedges - hedged items | (31) | (32) | — |
| Cash flow hedges - hedging instruments (reclassified from equity) | 40 | 33 | (2) |
| Economic hedges - hedged items not part of a hedge accounting relationship | (86) | (9) | (102) |
| Economic hedges - hedging instruments not part of a hedge accounting relationship | 37 | 39 | 111 |
| Other results - not hedged | (63) | (60) | 106 |
| | **(103)** | **(26)** | **113** |

For further information on instruments hedging AB InBev's foreign exchange risk see Note 28 *Risks arising from financial instruments.*

[1] Reclassified to conform to the 2011 presentation.

## 12. INCOME TAXES

Income taxes recognized in the income statement can be detailed as follows:

| Million US dollar | 2012 | 2011 | 2010 |
|---|---|---|---|
| **Current tax expense** | | | |
| Current year | (2 126) | (2 188) | (2 272) |
| (Underprovided)/overprovided in prior years | 242 | 115 | 23 |
| | **(1 884)** | **(2 073)** | **(2 249)** |
| **Deferred tax (expense)/income** | | | |
| Origination and reversal of temporary differences | 231 | 166 | 419 |
| (Utilization)/recognition of deferred tax assets on tax losses | (64) | 10 | (106) |
| Recognition of previously unrecognized tax losses | — | 41 | 16 |
| | **167** | **217** | **329** |
| **Total income tax expense in the income statement** | **(1 717)** | **(1 856)** | **(1 920)** |

The reconciliation of the effective tax rate with the aggregated weighted nominal tax rate can be summarized as follows:

| Million US dollar | 2012 | 2011 | 2010 |
|---|---|---|---|
| Profit before tax | 11 151 | 9 815 | 7 682 |
| Deduct share of result of associates | 624 | 623 | 521 |
| **Profit before tax and before share of result of associates** | **10 527** | **9 192** | **7 161** |
| **Adjustments on taxable basis** | | | |
| Expenses not deductible for tax purposes | 241 | 342 | 234 |
| Taxable intercompany dividends | 394 | 303 | 8 |
| Non-taxable financial and other income | (717) | (611) | (736) |
| | **10 445** | **9 226** | **6 667** |
| **Aggregated weighted nominal tax rate** | **32.8%** | **33.7%** | **34.7%** |
| Tax at aggregated weighted nominal tax rate | (3 428) | (3 105) | (2 313) |
| **Adjustments on tax expense** | | | |
| Utilization of tax losses not previously recognized | 131 | 69 | 32 |
| Recognition of deferred tax assets on previous years' tax losses | — | 41 | 16 |
| Write-down of deferred tax assets on tax losses and current year losses for which no deferred tax asset is recognized | (129) | (101) | (73) |
| (Underprovided)/overprovided in prior years | 242 | 115 | 23 |
| Tax savings from tax credits and special tax status | 1 274 | 1 241 | 667 |
| Change in tax rate | (18) | 75 | (1) |
| Withholding taxes | (143) | (152) | (137) |
| Other tax adjustments | 354 | (39) | (134) |
| | **(1 717)** | **(1 856)** | **(1 920)** |
| **Effective tax rate** | **16.3%** | **20.2%** | **26.8%** |

The total income tax expense amounts to 1 717m US dollar in 2012 compared to 1 856m US dollar in 2011 and 1 920m US dollar in 2010. The effective tax rate decreased from 20.2% to 16.3% from 2011 to 2012. The decrease in effective tax rate mainly results from a shift in profit mix to countries with lower marginal tax rates, incremental tax benefits, the non-taxable nature of gains from certain derivatives related to the hedging of share-based payment programs, as well as the favorable outcomes of tax claims and uncertain tax positions recognized in prior years amounting to 203m US dollar. The decrease in the effective tax rate in 2011 compared to 2010 mainly results from a shift in profit mix to countries with lower marginal tax rates, incremental tax benefits in Brazil, as well as favorable outcomes on tax claims.

Income taxes were directly recognized in other comprehensive income as follows:

| Million US dollar | 2012 | 2011 | 2010 |
|---|---|---|---|
| **Income tax (losses)/gains** | | | |
| Actuarial gains and losses on pensions | 176 | 282 | 70 |
| Cash flow hedges | (37) | 33 | (21) |
| Net investment hedges | 68 | (26) | (20) |

## 13. PROPERTY, PLANT AND EQUIPMENT

| Million US dollar | 2012 Land and buildings | Plant and equipment | Fixtures and fittings | Under construction | Total | 2011 Total |
|---|---|---|---|---|---|---|
| **Acquisition cost** | | | | | | |
| **Balance at end of previous year** | **7 849** | **18 781** | **3 239** | **1 488** | **31 357** | **30 296** |
| Effect of movements in foreign exchange | (91) | (264) | (38) | (57) | (450) | (1 263) |
| Acquisitions | 16 | 445 | 110 | 2 461 | 3 032 | 3 216 |
| Acquisitions through business combinations | 204 | 158 | 19 | 3 | 384 | 123 |
| Disposals | (109) | (702) | (217) | (15) | (1 043) | (857) |
| Disposals through the sale of subsidiaries | (11) | (6) | — | — | (17) | — |
| Transfer (to)/from other asset categories and other movements | 315 | 1 576 | 215 | (2 261) | (155) | (158) |
| **Balance at end of the period** | **8 173** | **19 988** | **3 328** | **1 619** | **33 108** | **31 357** |
| **Depreciation and impairment losses** | | | | | | |
| **Balance at end of previous year** | **(2 433)** | **(10 463)** | **(2 435)** | **(4)** | **(15 335)** | **(14 403)** |
| Effect of movements in foreign exchange | 18 | 116 | 22 | — | 156 | 714 |
| Disposals | 60 | 642 | 204 | — | 906 | 778 |
| Disposals through the sale of subsidiaries | 1 | 3 | — | — | 4 | — |
| Depreciation | (321) | (1 757) | (323) | — | (2 401) | (2 401) |
| Impairment losses | (1) | (58) | (1) | (2) | (62) | (91) |
| Transfer to/(from) other asset categories and other movements | 60 | 7 | 15 | 3 | 85 | 68 |
| **Balance at end of the period** | **(2 616)** | **(11 510)** | **(2 518)** | **(3)** | **(16 647)** | **(15 335)** |
| **Carrying amount** | | | | | | |
| **at 31 December 2011** | **5 416** | **8 318** | **804** | **1 484** | **16 022** | **16 022** |
| **at 31 December 2012** | **5 557** | **8 478** | **810** | **1 616** | **16 461** | **—** |

The transfer (to)/from other asset categories and other movements mainly relates to transfers from assets under construction to their respective asset categories, to contributions of assets to pension plans and to the separate presentation in the balance sheet of property, plant and equipment held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations.*

The carrying amount of property, plant and equipment subject to restrictions on title amounts to 104m US dollar as at 31 December 2012 (2011: 125m US dollar).

Contractual commitments to purchase property, plant and equipment amounted to 415m US dollar as at 31 December 2012 compared to 689m US dollar as at 31 December 2011. The decrease results from projects becoming operational in 2012, mainly in Brazil and China.

## 14. GOODWILL

| Million US dollar | 2012 | 2011 |
|---|---|---|
| **Acquisition cost** | | |
| **Balance at end of previous year** | **51 309** | **52 505** |
| Effect of movements in foreign exchange | (643) | (1 336) |
| Purchases of non-controlling interest | (6) | (18) |
| Acquisitions through business combinations | 1 113 | 158 |
| **Balance at end of year** | **51 773** | **51 309** |
| **Impairment losses** | | |
| **Balance at end of previous year** | **(7)** | **(7)** |
| Impairment losses | — | — |
| **Balance at end of year** | **(7)** | **(7)** |
| **Carrying amount** | | |

| | | |
|---|---|---|
| **at 31 December 2011** | **51 302** | **51 302** |
| **at 31 December 2012** | **51 766** | **—** |

Goodwill increased from 51 302m US dollar per end of December 2011 to 51 766m US dollar per end of December 2012.

2012 movements represent a (643)m US dollar effect of movements in foreign currency exchange rates (2011: (1 336)m US dollar), a subsequent fair value adjustment of (6)m US dollar related to a contingent consideration from the purchase of non-controlling interest in prior years (2011: (18)m US dollar) and goodwill recognition of 1 113m US dollar for acquisitions through business combinations that took place in 2012 (2011: 158m US dollar). The business combination that resulted in the recognition of goodwill in 2012 are the acquisition of Cervecería Nacional Dominicana S.A in Dominican Republic in May 2012, the acquisition of Western Beverage LLC and K&L Distributors Inc. in the United States and the acquisition of Lachaise Aromas e Participações Ltda and Lambert & Cia Ltda by Ambev in Brazil.

The business combinations that resulted in the recognition of goodwill in 2011 were the acquisition of Liaoning Dalian Daxue Brewery Co. Ltd in China on 28 February 2011, the acquisition of the brands, assets and business of Henan Weixue Beer Group Co. Ltd in China on 31 May 2011 and the acquisition of Fulton Street Brewery LLC (Goose Island) in the United States on 01 May 2011. - see also Note 6 *Acquisitions and disposals of subsidiaries*.

The carrying amount of goodwill was allocated to the different business unit levels as follows:

| Million US dollar<br>Business unit | 2012 | 2011 |
|---|---|---|
| USA | 32 654 | 32 654 |
| Brazil | 8 743 | 9 505 |
| Canada | 2 078 | 2 026 |
| China | 1 925 | 1 901 |
| Germany/Italy/Switzerland/Austria | 1 469 | 1 440 |
| Hispanic Latin America | 1 345 | 1 400 |
| Dominican Republic | 1 089 | — |
| Russia/Ukraine | 1 057 | 1 010 |
| Global Export/Spain | 698 | 685 |
| UK/Ireland | 609 | 584 |
| Belgium/Netherlands/France/Luxemburg | 99 | 97 |
| | **51 766** | **51 302** |

AB InBev completed its annual impairment test for goodwill and concluded, based on the assumptions described below, that no impairment charge was warranted. The company cannot predict whether an event that triggers impairment will occur, when it will occur or how it will affect the asset values reported. AB InBev believes that all of its estimates are reasonable: they are consistent with the internal reporting and reflect management's best estimates. However, inherent uncertainties exist that management may not be able to control. During its valuation, the company ran sensitivity analysis for key assumptions including the weighted average cost of capital and the terminal growth rate, in particular for the valuations of the US and Brazil, countries that show the highest goodwill. While a change in the estimates used could have a material impact on the calculation of the fair values and trigger an impairment charge, the company, based on sensitivity analyses performed around the base case assumptions is not aware of any reasonably possible change in a key assumption used that would cause a business unit's carrying amount to exceed its recoverable amount.

Goodwill impairment testing relies on a number of critical judgments, estimates and assumptions. Goodwill, which accounted for approximately 42% of AB InBev's total assets as at 31 December 2012, is tested for impairment at the business unit level (that is one level below the reporting segments). The business unit level is the lowest level at which goodwill is monitored for internal management purposes. Whenever a business combination occurs, goodwill is allocated as from the acquisition date, to each of AB InBev's business units that are expected to benefit from the synergies of the combination.

AB InBev impairment testing methodology is in accordance with IAS 36, in which a fair-value-less-cost-to-sell and value in use approaches are taken into consideration. This consists in applying a discounted free cash flow approach based on acquisition valuation models for its major business units and the business units showing a high invested capital to EBITDA multiple, and valuation multiples for its other business units.

The key judgments, estimates and assumptions used in the discounted free cash flow calculations are as follows:

- The first year of the model is based on management's best estimate of the free cash flow outlook for the current year;
- In the second to fourth years of the model, free cash flows are based on AB InBev's strategic plan as approved by key management. AB InBev's strategic plan is prepared per country and is based on external sources in respect of macro-economic assumptions, industry, inflation and foreign exchange rates, past experience and identified initiatives in terms of market share, revenue, variable and fixed cost, capital expenditure and working capital assumptions;
- For the subsequent six years of the model, data from the strategic plan is extrapolated generally using simplified assumptions such as constant volumes and variable cost per hectoliter and fixed cost linked to inflation, as obtained from external sources;
- Cash flows after the first ten-year period are extrapolated generally using expected annual long-term consumer price indices (CPI), based on external sources, in order to calculate the terminal value, considering sensitivities on this metric. For the two main cash generating units, the terminal growth rate applied ranged between 0.0% and 2.0% for the US and between 0.0% and 3.2% for Brazil;
- Projections are made in the functional currency of the business unit and discounted at the unit's weighted average cost of capital (WACC), considering sensitivities on this metric. The WACC ranged primarily between 5% and 14% in US dollar nominal terms for goodwill impairment testing conducted for 2012. For the two main cash generating units, the WACC applied in US dollar nominal terms ranged between 5% and 8% for the US and 6% and 10% for Brazil.
- Cost to sell is assumed to reach 2% of the entity value based on historical precedents.

The above calculations are corroborated by valuation multiples, quoted share prices for publicly-traded subsidiaries or other available fair value indicators.

Although AB InBev believes that its judgments, assumptions and estimates are appropriate, actual results may differ from these estimates under different assumptions or conditions.

## 15. INTANGIBLE ASSETS

| Million US dollar | 2012 Brands | 2012 Commercial intangibles | 2012 Software | 2012 Other | 2012 Total | 2011 Total |
|---|---|---|---|---|---|---|
| **Acquisition cost** | | | | | | |
| **Balance at end of previous year** | **21 700** | **2 188** | **884** | **301** | **25 073** | **24 453** |
| Effect of movements in foreign exchange | (22) | (8) | (7) | 4 | (33) | (106) |
| Acquisitions through business combinations | 427 | 106 | 4 | 3 | 540 | 242 |
| Acquisitions and expenditures | 10 | 174 | 73 | 24 | 281 | 457 |
| Disposals | — | (26) | (3) | (1) | (30) | (78) |
| Transfer (to)/from other asset categories | 9 | (13) | 28 | 13 | 37 | 105 |
| **Balance at end of period** | **22 124** | **2 421** | **979** | **344** | **25 868** | **25 073** |
| **Amortization and impairment losses** | | | | | | |
| **Balance at end of previous year** | **—** | **(544)** | **(670)** | **(41)** | **(1 255)** | **(1 094)** |
| Effect of movements in foreign exchange | — | 4 | 5 | (1) | 8 | 50 |
| Amortization | — | (170) | (107) | (7) | (284) | (289) |
| Disposals | — | 25 | 3 | 1 | 29 | 77 |
| Transfer to/(from) other asset categories | — | 3 | 1 | 1 | 5 | 1 |
| **Balance at end of period** | **—** | **(682)** | **(768)** | **(47)** | **(1 497)** | **(1 255)** |
| **Carrying value** | | | | | | |
| **at 31 December 2011** | **21 700** | **1 644** | **214** | **260** | **23 818** | **23 818** |
| **at 31 December 2012** | **22 124** | **1 739** | **211** | **297** | **24 371** | **—** |

AB InBev is the owner of some of the world's most valuable brands in the beer industry. As a result, brands and certain distribution rights are expected to generate positive cash flows for as long as the company owns the brands and distribution rights. Given AB InBev's more than 600-year history, brands and certain distribution rights have been assigned indefinite lives.

Acquisitions and expenditures of commercial intangibles mainly represent supply and distribution rights, exclusive multi-year sponsorship rights and other commercial intangibles.

Intangible assets with indefinite useful lives are comprised primarily of brands and certain distribution rights that AB InBev purchases for its own products, and are tested for impairment during the fourth quarter of the year or whenever a triggering event has occurred. As of 31 December 2012, the carrying amount of the intangible assets amounted to 24 371m US dollar (2011: 23 818m US dollar; 2010: 23 359m US dollar) of which 22 984m US dollar was assigned an indefinite useful life (2011: 22 462m US dollar; 2010: 22 296m US dollar) and 1 387m US dollar a finite life (2011: 1 356m US dollar; 2010: 1 063m US dollar).

The carrying amount of intangible assets with indefinite useful lives was allocated to the different countries as follows:

| Million US dollar<br>Country | 2012 | 2011 |
|---|---|---|
| USA | 21 340 | 21 248 |
| Dominican Republic | 425 | — |
| Argentina | 292 | 333 |
| China | 280 | 256 |
| Paraguay | 201 | 193 |
| Bolivia | 171 | 171 |
| UK | 108 | 104 |
| Uruguay | 52 | 50 |
| Canada | 40 | 39 |
| Russia | 27 | 25 |
| Chile | 26 | 24 |
| Germany | 19 | 19 |
| Brazil | 3 | — |
| | **22 984** | **22 462** |

Intangible assets with indefinite useful lives have been tested for impairment using the same methodology and assumptions as disclosed in Note 14 *Goodwill.* Based on the assumptions described in that note, AB InBev concluded that no impairment charge is warranted. While a change in the estimates used could have a material impact on the calculation of the fair values and trigger an impairment charge, the company is not aware of any reasonable possible change in a key assumption used that would cause a business unit's carrying amount to exceed its recoverable amount.

## 16. INVESTMENT IN ASSOCIATES

| Million US dollar | 2012 | 2011 |
|---|---|---|
| **Balance at end of previous year** | **6 696** | **7 295** |
| Effect of movements in foreign exchange | 485 | (820) |
| Share of results of associates | 624 | 623 |
| Dividends | (719) | (403) |
| Capital increase | 4 | 1 |
| **Balance at end of the period** | **7 090** | **6 696** |

AB InBev holds a 35.29% direct interest in Grupo Modelo, Mexico's largest brewer, and a 23.25% direct interest in Diblo S.A. de C.V., Grupo Modelo's operating subsidiary, providing AB InBev with, directly and indirectly, an approximate 50.34% interest in Modelo without however having voting or other control of either Grupo Modelo or Diblo. On a stand-alone basis (100%) under IFRS, aggregate amounts of Modelo's assets and liabilities for 2012 represented 17 461m US dollar and 3 013m US dollar respectively, while the 2012 net revenue amounted to 7 516m US dollar and the profit to 1 228m US dollar.

On 30 April 2012, AB InBev received a dividend of 9.2 billion Mexican peso (715m US dollar) from its participation in Grupo Modelo.

## 17. INVESTMENT SECURITIES

| Million US dollar | 2012 | 2011 |
|---|---|---|
| **Non-current investments** | | |
| Investments in unquoted companies – available for sale | 231 | 220 |
| Debt securities held to maturity | 25 | 24 |
| | **256** | **244** |
| | | |
| **Current investments** | | |
| Debt securities available for sale | 91 | 103 |
| Debt securities held for trading | 6 736 | — |
| | **6 827** | **103** |

During 2012, AB InBev raised 7.5 billion US dollar in senior unsecured bonds and 2.25 billion in euro medium term notes to support the Modelo acquisition. The excess liquidity resulting from these bonds were mainly invested in debt securities held for trading and in short-term (less than one year) US Treasury Bills pending the closing of the Modelo acquisition. Such US Treasury Bills are of highly liquid nature. See also note 21 *Cash and cash equivalents* and note 23 *Interest-bearing loans and borrowings*.

As of 31 December 2012, current debt securities of 6 827m US dollar mainly represented investments in US Treasury Bills with a term of more than three months from the date on which they were acquired, as well as investments in Brazilian real denominated government debt securities. The company's investments in such short-term debt securities are primarily to facilitate liquidity and for capital preservation.

AB InBev's exposure to equity price risk is disclosed in Note 28 *Risks arising from financial instruments*. The equity securities available for sale consist mainly of investments in unquoted companies and are measured at cost as their fair value cannot be reliably determined.

## 18. DEFERRED TAX ASSETS AND LIABILITIES

The amount of deferred tax assets and liabilities by type of temporary difference can be detailed as follows:

| | 2012 | | |
|---|---|---|---|
| Million US dollar | Assets | Liabilities | Net |
| Property, plant and equipment | 452 | (2 538) | (2 086) |
| Intangible assets | 179 | (8 547) | (8 368) |
| Goodwill | 51 | (14) | 37 |
| Inventories | 81 | (87) | (6) |
| Investment in associates | 4 | (1 319) | (1 315) |
| Trade and other receivables | 51 | (3) | 48 |
| Interest-bearing loans and borrowings | 150 | (491) | (341) |
| Employee benefits | 1 320 | (14) | 1 306 |
| Provisions | 291 | (21) | 270 |
| Derivatives | 214 | (40) | 174 |
| Other items | 100 | (423) | (323) |

| | | | |
|---|---|---|---|
| Loss carry forwards | 242 | — | 242 |
| **Gross deferred tax assets/(liabilities)** | **3 135** | **(13 497)** | **(10 362)** |
| **Netting by taxable entity** | (2 328) | 2 328 | — |
| **Net deferred tax assets/(liabilities)** | **807** | **(11 169)** | **(10 362)** |

| Million US dollar | 2011 Assets | 2011 Liabilities | 2011 Net |
|---|---|---|---|
| Property, plant and equipment | 355 | (2 523) | (2 168) |
| Intangible assets | 181 | (8 420) | (8 239) |
| Goodwill | 73 | (14) | 59 |
| Inventories | 98 | (85) | 13 |
| Investment in associates | 4 | (1 481) | (1 477) |
| Trade and other receivables | 44 | (4) | 40 |
| Interest-bearing loans and borrowings | 69 | (499) | (430) |
| Employee benefits | 1 266 | (22) | 1 244 |
| Provisions | 292 | (22) | 270 |
| Derivatives | 93 | (14) | 79 |
| Other items | 115 | (412) | (297) |
| Loss carry forwards | 300 | — | 300 |
| **Gross deferred tax assets/(liabilities)** | **2 890** | **(13 496)** | **(10 606)** |
| **Netting by taxable entity** | **(2 217)** | **2 217** | **—** |
| **Net deferred tax assets/(liabilities)** | **673** | **(11 279)** | **(10 606)** |

The change in net deferred taxes recorded in the consolidated statement of financial position can be detailed as follows:

| Million US dollar | 2012 | 2011[1] | 2010 |
|---|---|---|---|
| **Balance at 1 January** | **(10 606)** | **(11 165)** | **(11 546)** |
| Recognized in profit or loss | 167 | 217 | 329 |
| Recognized in other comprehensive income | 207 | 289 | 29 |
| Acquisitions through business combinations | (145) | (15) | — |
| Other movements | 15 | 68 | 23 |
| **Balance at 31 December** | **(10 362)** | **(10 606)** | **(11 165)** |

Net deferred tax assets and liabilities decreased from prior year mainly due to timing of temporary differences and deferred tax assets on actuarial gains and losses. Such decrease was partially offset by deferred tax liabilities arising on the acquisition of Cervecería Nacional Dominicana S.A. in Dominican Republic in May 2012.

Most of the temporary differences are related to the fair value adjustment on intangible assets with indefinite useful lives and property, plant and equipment acquired in a business combination. The realization of such temporary differences is unlikely to revert within 12 months.

On 31 December 2012, a deferred tax liability of 31m US dollar (2011: 51m US dollar) relating to investment in subsidiaries has not been recognized because management believes that this liability will not be incurred in the foreseeable future.

Tax losses carried forward and deductible temporary differences on which no deferred tax asset is recognized amount to 2 336m US dollar (2011: 2 455m US dollar). 576m US dollar of these tax losses and deductible temporary differences do not have an expiration date, 102m US dollar, 127m US dollar and 117m US dollar expire within respectively 1, 2 and 3 years, while 1 414m US dollar have an expiration date of more than 3 years. Deferred tax assets have not been recognized on these items because it is not probable that future taxable profits will be available against which these tax losses and deductible temporary differences can be utilized and the company has no tax planning strategy currently in place to utilize these tax losses and deductible temporary differences.

## 19. INVENTORIES

| Million US dollar | 2012 | 2011 |
|---|---|---|
| Prepayments | 39 | 56 |
| Raw materials and consumables | 1 508 | 1 572 |
| Work in progress | 267 | 214 |
| Finished goods | 656 | 590 |
| Goods purchased for resale | 30 | 34 |
| | **2 500** | **2 466** |
| **Inventories other than work in progress** | | |
| Inventories stated at net realizable value | — | — |
| Carrying amount of inventories subject to collateral | — | — |

The cost of inventories recognized as an expense in 2012 amounts to 16 447m US dollar, included in cost of sales. In 2011, this

expense amounted to 16 634m US dollar and in 2010 to 16 151m US dollar.

Impairment losses on inventories recognized in 2012 amount to 66m US dollar (2011: 21m US dollar; 2010: 67m US dollar).

[1] Reclassified to conform to the 2012 presentation.

## 20. TRADE AND OTHER RECEIVABLES

### NON-CURRENT TRADE AND OTHER RECEIVABLES

| Million US dollar | 2012 | 2011 |
|---|---|---|
| Cash deposits for guarantees | 272 | 298 |
| Loans to customers | 21 | 42 |
| Deferred collection on disposals | 38 | 16 |
| Tax receivable, other than income tax | 177 | 193 |
| Derivatives | 241 | 613 |
| Trade and other receivables | 479 | 177 |
| | **1 228** | **1 339** |

For the nature of cash deposits for guarantees see Note 30 *Collateral and contractual commitments for the acquisition of property, plant and equipment, loans to customers and other*.

### CURRENT TRADE AND OTHER RECEIVABLES

| Million US dollar | 2012 | 2011 |
|---|---|---|
| Trade receivables and accrued income | 2 736 | 2 572 |
| Interest receivable | 67 | 33 |
| Tax receivable, other than income tax | 283 | 335 |
| Derivatives | 398 | 659 |
| Loans to customers | 9 | 10 |
| Prepaid expenses | 453 | 434 |
| Other receivables | 77 | 78 |
| | **4 023** | **4 121** |

The fair value of trade and other receivables, excluding derivatives, equals their carrying amounts as the impact of discounting is not significant.

The ageing of the current trade receivables and accrued income, interest receivable, other receivables and current and non-current loans to customers can be detailed as follows for 2012 and 2011 respectively:

| | Net carrying amount as of December 31, 2012 | Of which: neither impaired nor past due on the reporting date | Of which not impaired as of the reporting date and past due | | | |
|---|---|---|---|---|---|---|
| | | | Less than 30 days | Between 30 and 59 days | Between 60 and 89 days | More than 90 days |
| Trade receivables and accrued income | 2 736 | 2 588 | 107 | 23 | 14 | 4 |
| Loans to customers | 30 | 29 | — | — | — | 1 |
| Interest receivable | 67 | 67 | — | — | — | — |
| Other receivables | 77 | 77 | — | — | — | — |
| | **2 910** | **2 761** | **107** | **23** | **14** | **5** |

| | Net carrying amount as of December 31, 2011 | Of which: neither impaired nor past due on the reporting date | Of which not impaired as of the reporting date and past due | | | |
|---|---|---|---|---|---|---|
| | | | Less than 30 days | Between 30 and 59 days | Between 60 and 89 days | More than 90 days |
| Trade receivables and accrued income | 2 572 | 2 459 | 76 | 19 | 10 | 8 |
| Loans to customers | 52 | 50 | — | — | 1 | 1 |
| Interest receivable | 33 | 33 | — | — | — | — |
| Other receivables | 78 | 78 | — | — | — | — |
| | **2 735** | **2 620** | **76** | **19** | **11** | **9** |

In accordance with IFRS 7 *Financial Instruments: Disclosures* the above analysis of the age of financial assets that are past due as at the reporting date but not impaired, also includes the non-current part of loans to customers. Past due amounts were not impaired when collection is still considered likely, for instance because the amounts can be recovered from the tax authorities or AB InBev has sufficient collateral. Impairment losses on trade and other receivables recognized in 2012 amount to 40m US dollar (2011: 26m US dollar).

AB InBev's exposure to credit, currency and interest rate risks is disclosed in Note 28 *Risks arising from financial instruments.*

## 21. CASH AND CASH EQUIVALENTS

| Million US dollar | 2012 | 2011 |
|---|---|---|
| Short-term bank deposits | 2 741 | 3 184 |
| US Treasury Bills | 1 000 | — |
| Cash and bank accounts | 3 310 | 2 136 |
| **Cash and cash equivalents** | **7 051** | **5 320** |
| **Bank overdrafts** | **—** | **(8)** |
| | **7 051** | **5 312** |

As of 31 December 2012, cash and cash equivalents include restricted cash of 11m US dollar that reflects the outstanding consideration payable to former Anheuser-Busch shareholders who did not yet claim the proceeds (the related payable is recognized as a deferred consideration on acquisition).

Cash and cash equivalents also include investments in US Treasury Bills with a term of less than three months from the date on which they were acquired. In addition to US Treasury Bills classified as cash and cash equivalents, the company also had 6.6 billion US dollar invested in short-term (less than one year) US Treasury Bills classified as debt securities held for trading (see note 17 *Investment Securities)*. Such US Treasury Bills are of highly liquid nature.

## 22. CHANGES IN EQUITY AND EARNINGS PER SHARE

### STATEMENT OF CAPITAL

The tables below summarize the changes in issued capital and treasury shares during the year:

2012:

| | Issued capital | |
|---|---|---|
| **ISSUED CAPITAL** | Million shares | Million US dollar |
| At the end of the previous year | 1 606 | 1 734 |
| Changes during the year | 1 | — |
| | **1 607** | **1 734** |

| | Treasury shares | | Result on the use of treasury shares |
|---|---|---|---|
| **TREASURY SHARES** | Million shares | Million US dollar | Million US dollar |
| At the end of the previous year | 8.1 | (394) | (743) |
| Changes during the year | (3.4) | 153 | (16) |
| | **4.7** | **(241)** | **(759)** |

2011:

| | Issued capital | |
|---|---|---|
| **ISSUED CAPITAL** | Million shares | Million US dollar |
| At the end of the previous year | 1 605 | 1 733 |
| Changes during the year | 1 | 1 |
| | **1 606** | **1 734** |

| | Treasury shares | | Result on the use of treasury shares |
|---|---|---|---|
| **TREASURY SHARES** | Million shares | Million US dollar | Million US dollar |
| At the end of the previous year | 12.1 | (588) | (645) |
| Changes during the year | (4.0) | 194 | (98) |
| | **8.1** | **(394)** | **(743)** |

As at 31 December 2012, the total issued capital of 1 734m US dollar is represented by 1 606 787 543 shares without face value, of which 391 149 374 registered shares, 36 463 bearer shares and 1 215 601 706 dematerialized shares. For a total amount of capital of 2.4m US dollar (1.8m euro), there are still 2 361 317 of subscription rights outstanding corresponding with a maximum of 2 361 317 shares to be issued. The total of authorized, un-issued capital amounts to 49m US dollar (37m euro).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. In respect of the company's shares that are held by AB InBev, rights are suspended.

The shareholders' structure based on the notifications made to the company pursuant to the Belgian Law of 02 May 2007 on the disclosure of significant shareholdings in listed companies is included in the *Corporate Governance* section of AB InBev's annual report.

Capital contributions in subsidiaries, mainly in the zone Latin America North, subscribed by non-controlling interest amounted to 90m US dollar in 2012.

**CHANGES IN OWNERSHIP INTERESTS**

In compliance with IAS 27, the acquisition of additional shares in a subsidiary is accounted for as an equity transaction with owners.

During 2012, AB InBev purchased non-controlling interests in subsidiaries for a total consideration of 104m US dollar. As the related subsidiaries were already fully consolidated, the purchases did not impact AB InBev's profit, but reduced the non-controlling interests and thus impacted the profit attributable to equity holders of AB InBev.

**REPORT ACCORDING TO ARTICLE 624 OF THE BELGIAN COMPANIES CODE - PURCHASE OF OWN SHARES**

During the year 2012, AB InBev did not purchase any AB InBev shares.

During 2012 the company proceeded with the following sale transactions:

- 111 265 shares were sold to members of the Ambev senior management who were transferred to AB InBev. The sale occurred according to a share exchange program at a price reduced with 16.66% compared to the market price, in order to encourage management mobility;
- 442 579 shares were granted to executives of the group according to the company's executive remuneration policy;
- 524 836 shares were granted to executives of the company in exchange for unvested options, in order to maintain consistency of granted benefits and encourage management mobility, in particular for the benefit of executives moving to the United States. The shares are subject to a lock-up period until 31 December 2018;
- Finally, 2 332 248 shares were sold, as a result of the exercise of options granted to employees of the group.

At the end of the period, the group owned 4 710 037 own shares of which 4 190 715 were held directly by AB InBev.

The par value of the shares is 0.77 euro. As a consequence, the shares that were sold during the year 2012 represent 3 456 599 US dollar (2 619 826 euro) of the subscribed capital and the shares that the company still owned at the end of 2012 represent 4 785 105 US dollar (3 626 728 euro) of the subscribed capital.

**DIVIDENDS**

On 26 February 2013, a dividend of 1.70 euro per share or approximately 2 725m euro was proposed by the Board of Directors. In accordance with IAS 10 *Events after the balance sheet date,* the dividend has not been recorded in the 2012 financial statements.

On 25 April 2012, a dividend of 1.20 euro per share or approximately 1 920m euro was approved at the shareholders meeting. This dividend was paid out on 3 May 2012.

**TRANSLATION RESERVES**

The translation reserves comprise all foreign currency exchange differences arising from the translation of the financial statements of foreign operations. The translation reserves also comprise the portion of the gain or loss on the foreign currency liabilities and on the derivative financial instruments determined to be effective net investment hedges in conformity with IAS 39 *Financial Instruments: Recognition and Measurement* hedge accounting rules.

**HEDGING RESERVES**

The hedging reserves comprise the effective portion of the cumulative net change in the fair value of cash flow hedges to the extent the hedged risk has not yet impacted profit or loss – see also Note 28 *Risks arising from financial instruments*.

**TRANSFERS FROM SUBSIDIARIES**

The amount of dividends payable to AB InBev by its operating subsidiaries is subject to, among other restrictions, general limitations imposed by the corporate laws, capital transfer restrictions and exchange control restrictions of the respective jurisdictions where those subsidiaries are organized and operate. Capital transfer restrictions are also common in certain emerging market countries, and may affect AB InBev's flexibility in implementing a capital structure it believes to be efficient. Dividends paid to AB InBev by certain of its subsidiaries are also subject to withholding taxes. Withholding tax, if applicable, generally does not exceed 10%.

**EARNINGS PER SHARE**

The calculation of basic earnings per share is based on the profit attributable to equity holders of AB InBev of 7 243m US dollar (2011: 5 855m US dollar; 2010: 4 026m US dollar) and a weighted average number of ordinary shares outstanding during the year,

calculated as follows:

| Million shares | 2012 | 2011 | 2010 |
|---|---|---|---|
| Issued ordinary shares at 1 January, net of treasury shares | 1 598 | 1 593 | 1 591 |
| Effect of shares issued and share buyback programs | 2 | 2 | 1 |
| **Weighted average number of ordinary shares at 31 December** | **1 600** | **1 595** | **1 592** |

The calculation of diluted earnings per share is based on the profit attributable to equity holders of AB InBev of 7 243m US dollar (2011: 5 855m US dollar; 2010: 4 026m US dollar) and a weighted average number of ordinary shares (diluted) outstanding during the year, calculated as follows:

| Million shares | 2012 | 2011 | 2010 |
|---|---|---|---|
| Weighted average number of ordinary shares at 31 December | 1600 | 1 595 | 1 592 |
| Effect of share options, warrants and restricted stock units | 28 | 19 | 19 |
| **Weighted average number of ordinary shares (diluted) at 31 December** | **1 628** | **1 614** | **1 611** |

The calculation of earnings per share before exceptional items is based on the profit after tax and before exceptional items, attributable to equity holders of AB InBev. A reconciliation of profit before exceptional items, attributable to equity holders of AB InBev to profit attributable to equity holders of AB InBev is calculated as follows:

| Million US dollar | 2012 | 2011 | 2010 |
|---|---|---|---|
| Profit before exceptional items, attributable to equity holders of AB InBev | 7 283 | 6 449 | 5 040 |
| Exceptional items, after taxes, attributable to equity holders of AB InBev (refer Note 8) | (22) | (172) | (142) |
| Exceptional finance cost, after taxes, attributable to equity holders of AB InBev (refer Note 8) | (18) | (422) | (872) |
| **Profit attributable to equity holders of AB InBev** | **7 243** | **5 855** | **4 026** |

The table below sets out the EPS calculation:

| Million US dollar | 2012 | 2011 | 2010 |
|---|---|---|---|
| Profit attributable to equity holders of AB InBev | 7 243 | 5 855 | 4 026 |
| Weighted average number of ordinary shares | 1 600 | 1 595 | 1 592 |
| **Basic EPS** | **4.53** | **3.67** | **2.53** |
| Profit before exceptional items, attributable to equity holders of AB InBev | 7 283 | 6 449 | 5 040 |
| Weighted average number of ordinary shares | 1 600 | 1 595 | 1 592 |
| **EPS before exceptional items** | **4.55** | **4.04** | **3.17** |
| Profit attributable to equity holders of AB InBev | 7 243 | 5 855 | 4 026 |
| Weighted average number of ordinary shares (diluted) | 1 628 | 1 614 | 1 611 |
| **Diluted EPS** | **4.45** | **3.63** | **2.50** |
| Profit before exceptional items, attributable to equity holders of AB InBev | 7 283 | 6 449 | 5 040 |
| Weighted average number of ordinary shares (diluted) | 1 628 | 1 614 | 1 611 |
| **Diluted EPS before exceptional items** | **4.47** | **4.00** | **3.13** |

The average market value of the company's shares for purposes of calculating the dilutive effect of share options and restricted stock units was based on quoted market prices for the period that the options and restricted stock units were outstanding. 4.9m share options and restricted stock units were anti-dilutive and not included in the calculation of the dilutive effect as at 31 December 2012.

## 23. INTEREST-BEARING LOANS AND BORROWINGS

This note provides information about the company's interest-bearing loans and borrowings. For more information about the company's exposure to interest rate and foreign currency risk, refer to Note 28 *Risks arising from financial instruments.*

**NON-CURRENT LIABILITIES**

| Million US dollar | 2012 | 2011 |
|---|---|---|
| Secured bank loans | 119 | 95 |
| Unsecured bank loans | 627 | 4 022 |
| Unsecured bond issues | 37 988 | 30 278 |
| Secured other loans | — | 6 |
| Unsecured other loans | 79 | 77 |
| Finance lease liabilities | 138 | 120 |
| | **38 951** | **34 598** |

**CURRENT LIABILITIES**

| Million US dollar | 2012 | 2011 |
|---|---|---|
| Secured bank loans | 32 | 60 |
| Commercial papers | 2 088 | 2 287 |
| Unsecured bank loans | 413 | 580 |
| Unsecured bond issues | 2 840 | 2 624 |
| Secured other loans | 5 | — |
| Unsecured other loans | 9 | 3 |
| Finance lease liabilities | 3 | 5 |
| | **5 390** | **5 559** |

The current and non-current interest-bearing loans and borrowings amount to 44.3 billion US dollar as of 31 December 2012, compared to 40.2 billion US dollar as of 31 December 2011.

In connection with the announcement on 29 June 2012 that AB InBev and Grupo Modelo entered into an agreement under which AB InBev will acquire the remaining stake in Grupo Modelo that it does not already own, AB InBev entered into a 14.0 billion US dollar long-term bank financing, dated as of 20 June 2012. The new financing consisted of a 14.0 billion US dollar facilities agreement ("2012 Facilities Agreement") comprising of "Facility A", a term facility with a maximum maturity of two years from the funding date for up to 6.0 billion US dollar principal amount and "Facility B" a three-year term facility for up to 8.0 billion US dollar principal amount bearing interest at a floating rate equal to LIBOR, plus margins. In November 2012, the US principal amount of "Facility A" was reduced to 5.1 billion US dollar, following a voluntary cancellation option under the 2012 Facilities Agreement. Accordingly, as at 31 December 2012, the total US dollar principal amount available under the 2012 Facilities Agreements amounted to 13.1 billion US dollar. The margins on each facility will be determined based on ratings assigned by rating agencies to AB InBev long-term debt. For Facility A, the margin ranges between 0.85% per annum and 2.15% per annum. For Facility B, the margin ranges between 1.10% per annum and 2.40% per annum. At AB InBev's rating as of 31 December 2012, the initial margins would have been 1.00 % and 1.25% respectively. All proceeds from the drawdown under the 2012 Facilities Agreement must be applied, directly or

indirectly, towards the acquisition of Grupo Modelo, refinancing of existing indebtedness of Grupo Modelo or any costs in connection therewith. As of 31 December 2012, both facilities remain undrawn. Each facility is available to be drawn until 20 June 2013, subject to an extension up to 20 December 2013 at AB InBev's option. In the event that AB InBev chooses to extend the availability period, the tenor of Facility B will be reduced by the length of the period by which the availability period has been extended. Customary commitment fees are payable on any undrawn but available funds under the 2012 Facilities Agreement. These fees are recorded as exceptional finance cost.

Furthermore, AB InBev raised the following bonds to support the Modelo acquisition:

- On 16 July 2012, Anheuser-Busch InBev Worldwide Inc., a subsidiary of AB InBev, issued 7.5 billion US dollar aggregate principal amount of bonds, consisting of 1.5 billion US dollar aggregate principal amount of fixed rate notes due 2015, 2.0 billion US dollar aggregate principal amount of fixed rate notes due 2017, 3.0 billion US dollar aggregate principal amount of fixed rate notes due 2022 and 1.0 billion US dollar aggregate principal amount of fixed rate notes due 2042. The notes will bear interest at an annual rate of 0.800% for the 2015 notes, 1.375% for the 2017 notes, 2.500% for the 2022 notes and 3.750% for the 2042 notes.
- On 25 September 2012, Anheuser-Busch InBev issued 2.25 billion euro aggregate principal amount of bonds, consisting of 750 million euro aggregate principal amount of fixed rate notes due 2017 bearing interest at annual rate of 1.250%, 750 million euro aggregate principal amount of fixed rate notes due 2019 bearing interest at annual rate of 2.000% and 750 million euro aggregate principal amount of fixed rate notes due 2024 bearing interest at annual rate of 2.875%.

The excess liquidity resulting from the aforementioned bonds were mainly invested in short-term debt securities held for trading and short-term US Treasury Bills pending the closing of the Modelo acquisition. See also note 17 *Investment Securities* and note 21 *Cash and cash equivalents*.

During 2012, AB InBev early redeemed 209m US dollar aggregate principal amount of Anheuser-Busch fixed rate notes with several maturities ranging from 2032 to 2047.

As of 31 December 2012, there are no amounts drawn under the 8.0 billion US dollar 2010 senior facilities.

Commercial papers amount to 2.1 billion US dollar as of 31 December 2012 and include programs in US dollar and euro with a total authorized issuance up to 3.0 billion US dollar and 1.0 billion euro, respectively.

AB InBev is in compliance with all its debt covenants as of 31 December 2012. The 2012 Facilities Agreement and the 2010 Senior Facilities do not include restrictive financial covenants.

**TERMS AND DEBT REPAYMENT SCHEDULE AT 31 DECEMBER 2012**
Million US dollar

| | Total | 1 year or less | 1-2 years | 2-3 years | 3-5 years | More than 5 years |
|---|---|---|---|---|---|---|
| Secured bank loans | 151 | 32 | 48 | 23 | 26 | 22 |
| Commercial papers | 2 088 | 2 088 | — | — | — | — |
| Unsecured bank loans | 1 040 | 413 | 264 | 207 | 150 | 6 |
| Unsecured bond issues | 40 828 | 2 840 | 5 318 | 4 679 | 6 879 | 21 112 |
| Secured other loans | 5 | 5 | — | — | — | — |
| Unsecured other loans | 88 | 9 | 12 | 12 | 11 | 44 |
| Finance lease liabilities | 141 | 3 | 3 | 4 | 9 | 122 |
| | **44 341** | **5 390** | **5 645** | **4 925** | **7 075** | **21 306** |

**TERMS AND DEBT REPAYMENT SCHEDULE AT 31 DECEMBER 2011**
Million US dollar

| | Total | 1 year or less | 1-2 years | 2-3 years | 3-5 years | More than 5 years |
|---|---|---|---|---|---|---|
| Secured bank loans | 155 | 60 | 30 | 26 | 33 | 6 |
| Commercial papers | 2 287 | 2 287 | — | — | — | — |
| Unsecured bank loans | 4 602 | 580 | 328 | 188 | 3 505 | 1 |
| Unsecured bond issues | 32 902 | 2 624 | 2 751 | 5 206 | 4 553 | 17 768 |
| Secured other loans | 6 | — | 6 | — | — | — |
| Unsecured other loans | 80 | 3 | 13 | 13 | 12 | 39 |
| Finance lease liabilities | 125 | 5 | 1 | 2 | 4 | 113 |
| | **40 157** | **5 559** | **3 129** | **5 435** | **8 107** | **17 927** |

**FINANCE LEASE LIABILITIES**
Million US dollar

| | 2012 Payments | 2012 Interests | 2012 Principal | 2011 Payments | 2011 Interests | 2011 Principal |
|---|---|---|---|---|---|---|
| Less than one year | 14 | 11 | 3 | 16 | 11 | 5 |
| Between one and two years | 14 | 11 | 3 | 11 | 10 | 1 |
| Between two and three years | 16 | 11 | 5 | 12 | 10 | 2 |
| Between three and five years | 29 | 21 | 8 | 23 | 19 | 4 |
| More than 5 years | 201 | 79 | 122 | 196 | 83 | 113 |
| | **274** | **133** | **141** | **258** | **133** | **125** |

Net debt is defined as non-current and current interest-bearing loans and borrowings and bank overdrafts minus debt securities and cash. Net debt is a financial performance indicator that is used by AB InBev's management to highlight changes in the company's

overall liquidity position. The company believes that net debt is meaningful for investors as it is one of the primary measures AB InBev's management uses when evaluating its progress towards deleveraging.

AB InBev's net debt decreased to 30.1 billion US dollar as of 31 December 2012, from 34.7 billion US dollar as of 31 December 2011. Apart from operating results net of capital expenditures, the net debt is mainly impacted by dividend payments to shareholders of AB InBev and Ambev (3 632m US dollar), the payment of interests and taxes (3 658m US dollar), the payment associated with the strategic alliance with Cervecería Nacional Dominicana S.A. (1 298m US dollar) and the impact of changes in foreign exchange rates (494m US dollar increase of net debt).

The following table provides a reconciliation of AB InBev's net debt as of the dates indicated:

| Million US dollar | 2012 | 2011 |
|---|---|---|
| Non-current interest-bearing loans and borrowings | 38 951 | 34 598 |
| Current interest-bearing loans and borrowings | 5 390 | 5 559 |
| | **44 341** | **40 157** |
| Bank overdrafts | — | 8 |
| Cash and cash equivalents | (7 051) | (5 320) |
| Interest bearing loans granted (included within Trade and other receivables) | (324) | (30) |
| Debt securities (included within Investment securities) | (6 852) | (127) |
| **Net debt** | **30 114** | **34 688** |

## 24. EMPLOYEE BENEFITS

AB InBev sponsors various post-employment benefit plans world-wide. These include pension plans, both defined contribution plans, and defined benefit plans, and other post-employment benefits (OPEB). In accordance with IAS 19 *Employee Benefits* post-employment benefit plans are classified as either defined contribution plans or defined benefit plans.

### DEFINED CONTRIBUTION PLANS

For defined contribution plans, AB InBev pays contributions to publicly or privately administered pension funds or insurance contracts. Once the contributions have been paid, the group has no further payment obligation. The regular contribution expenses constitute an expense for the year in which they are due. For 2012, benefits paid for defined contribution plans for the company amounted to 41m US dollar compared to 39m US dollar for 2011 and 44m US dollar for 2010.

### DEFINED BENEFIT PLANS

During 2012, the company contributed to 61 defined benefit plans, of which 45 are retirement plans and 16 are medical cost plans. Most plans provide benefits related to pay and years of service. The Belgian, Dominican Republic, Canadian, UK and US plans are partially funded. When plan assets are funded, the assets are held in legally separate funds set up in accordance with applicable legal requirements and common practice in each country. The medical cost plans in Canada, US, and Brazil provide medical benefits to employees and their families after retirement.

The present value of funded obligations includes a 280m US dollar liability related to two medical plans, for which the benefits are provided through the Fundação Antonio Helena Zerrenner ("FAHZ"). The FAHZ is a legally distinct entity which provides medical, dental, educational and social assistance to current and retired employees of Ambev. On 31 December 2012, the actuarial liabilities related to the benefits provided by the FAHZ are fully offset by an equivalent amount of assets existing in the fund. The net liability recognized in the balance sheet is nil.

The employee benefit net liability amounts to 3 687m US dollar as of 31 December 2012 compared to 3 430m US dollar as of 31 December 2011. In 2012, the fair value of the plan assets value and the defined benefit obligations increased by 609m US dollar and 905m US dollar, respectively. The increase in the employee benefit net liability is mainly driven by changes in actuarial assumptions (unfavorable changes in discount rates).

The company's net liability for post-employment and long-term employee benefit plans comprises the following at 31 December:

| Million US dollar | 2012 | 2011 |
|---|---|---|
| Present value of funded obligations | (7 812) | (6 958) |
| Fair value of plan assets | 5 704 | 5 095 |
| **Present value of net obligations for funded plans** | **(2 108)** | **(1 863)** |
| Present value of unfunded obligations | (1 243) | (1 192) |
| **Present value of net obligations** | **(3 351)** | **(3 055)** |
| Unrecognized past service cost | (12) | (13) |
| Unrecognized asset | (307) | (346) |
| **Net liability** | **(3 670)** | **(3 414)** |
| Other long term employee benefits | (17) | (16) |
| **Total employee benefits** | **(3 687)** | **(3 430)** |
| **Employee benefits amounts in the balance sheet:** | | |
| Liabilities | (3 699) | (3 440) |
| Assets | 12 | 10 |
| **Net liability** | **(3 687)** | **(3 430)** |

The changes in the present value of the defined benefit obligations are as follows:

| Million US dollar | 2012 | 2011 | 2010 |
|---|---|---|---|
| **Defined benefit obligation at 1 January** | **(8 150)** | **(7 396)** | **(6 856)** |
| Current service costs | (82) | (112) | (104) |
| Acquisition through business combination | (39) | — | — |
| Contribution by plan participants | (5) | (5) | (5) |
| New past service gain/(cost) | 5 | (101) | (68) |
| Interest cost | (426) | (441) | (428) |
| Actuarial losses | (846) | (744) | (378) |
| (Losses)/gains on curtailments | 28 | 5 | (3) |
| Reclassifications from provisions | (1) | — | (2) |
| Settlements | 1 | 6 | 15 |
| Exchange differences | (42) | 154 | (29) |
| Benefits paid | 502 | 484 | 462 |
| **Defined benefit obligation at 31 December** | **(9 055)** | **(8 150)** | **(7 396)** |

The changes in the fair value of plan assets are as follows:

| Million US dollar | 2012 | 2011 | 2010 |
|---|---|---|---|
| **Fair value of plan assets at 1 January** | **5 095** | **5 074** | **4 645** |
| Expected return | 387 | 408 | 369 |
| Acquisition through business combination | 28 | — | — |
| Actuarial gains and (losses) | 286 | (206) | 117 |
| Contributions by AB InBev | 416 | 449 | 358 |
| Contributions by plan participants | 5 | 5 | 5 |
| Exchange differences | (8) | (151) | 40 |
| Other | (3) | — | 2 |
| Benefits paid | (502) | (484) | (462) |
| **Fair value of plan assets at 31 December** | **5 704** | **5 095** | **5 074** |

Actual return on plans assets amounted to a gain of 673m US dollar in 2012 compared to a gain of 202m US dollar in 2011. The increase is mainly driven by higher market returns particularly in the US, Brazil, Canada and UK.

Actual return on plans assets amounted to a gain of 202m US dollar in 2011 compared to a gain of 486m US dollar in 2010. The decrease is mainly driven by lower market returns particularly in the US, Canada, UK, Brazil and Belgium.

The decrease in contributions by AB InBev (416m US dollar in 2012 versus 449m US dollar in 2011 and versus 358m US dollar in 2010) is primarily explained by lower required contributions in the US.

The expense recognized in the income statement with regard to defined benefit plans can be detailed as follows:

| Million US dollar | 2012 | 2011 | 2010 |
|---|---|---|---|
| Current service costs | (82) | (112) | (104) |
| Interest cost | (426) | (441) | (428) |
| Expected return on plan assets | 387 | 408 | 369 |
| Past service cost | 6 | (101) | (68) |
| (Losses)/gains on settlements or curtailments | 29 | 15 | 14 |
| | **(86)** | **(231)** | **(217)** |

In 2011, early termination benefits and other plan changes, mainly in the US, increased the amortized past service cost.

The employee benefit expense is included in the following line items of the income statement:

| Million US dollar | 2012 | 2011 | 2010 |
|---|---|---|---|
| Cost of sales | (86) | (87) | (99) |
| Distribution expenses | (11) | (16) | (17) |
| Sales and marketing expenses | 1 | (15) | (12) |
| Administrative expenses | 11 | (10) | (22) |
| Exceptional items | (1) | (103) | (67) |
| | **(86)** | **(231)** | **(217)** |

Weighted average assumptions used in computing the benefit obligations at the balance sheet date are as follows:

| | 2012 | 2011 | 2010 |
|---|---|---|---|
| Discount rate | 4.5% | 5.4% | 6.1% |
| Price inflation | 2.6% | 2.6% | 2.6% |
| Future salary increases | 3.2% | 3.2% | 3.0% |
| Future pension increases | 2.5% | 2.6% | 2.8% |
| Medical cost trend rate | 7.4% p.a. reducing to 6.0% | 7.5% p.a. reducing to 6.0% | 8.1% p.a. reducing to 5.8% |
| Life expectation for a 65 year old male | 84 | 84 | 83 |
| Life expectation for a 65 year old female | 87 | 87 | 85 |

Weighted average assumptions used in computing the net periodic pension cost for the year are as follows:

| | 2012 | 2011 | 2010 |
|---|---|---|---|
| Discount rate | 5.4% | 6.1% | 6.5% |
| Expected return on plan assets | 7.6% | 8.1% | 8.1% |
| Future salary increases | 3.2% | 3.0% | 2.8% |
| Future pension increases | 2.6% | 2.8% | 2.6% |
| Medical cost trend rate | 7.5% p.a. reducing to 6.0% | 8.1% p.a. reducing to 5.8% | 7.9% p.a. reducing to 5.6% |

Several factors are considered in developing the estimate for the long-term expected rate of return on plan assets. For the defined benefit plans, these include historical rates of return of broad equity and bond indices and projected long-term rates of return from pension investment consultants; taking into account different markets where AB InBev has plan assets.

The expected rates of return on individual categories of plan assets are determined by reference to relevant indices based on advice of external valuation experts. The overall expected rate of return is calculated by weighting the expected rates of return for each asset class in accordance with the anticipated share in the total investment portfolio.

Assumed medical cost trend rates have a significant effect on the amounts recognized in profit or loss. A one percentage point change in the assumed medical cost trend rates would have the following effects (note that a positive amount refers to a decrease in the obligations or cost while a negative amount refers to an increase in the obligations or cost):

| Million US dollar | 2012 | | 2011 | | 2010 | |
|---|---|---|---|---|---|---|
| **Medical cost trend rate** | 100 basis points increase | 100 basis points decrease | 100 basis points increase | 100 basis points decrease | 100 basis points increase | 100 basis points decrease |
| Effect on the aggregate of the service cost and interest cost of medical plans | (7) | 7 | (8) | 7 | (10) | 10 |
| Effect on the defined benefit obligation for medical cost | (88) | 80 | (77) | 71 | (74) | 73 |

In line with the IAS 1 *Presentation of Financial Statements* disclosure requirements on key sources of estimation uncertainty AB InBev has included the results of its sensitivity analysis with regard to the discount rate, the future salary increase and the longevity assumptions.

| Million US dollar | 2012 | | 2011 | | 2010 | |
|---|---|---|---|---|---|---|
| **Discount rate** | 50 basis points increase | 50 basis points decrease | 50 basis points increase | 50 basis points decrease | 50 basis points increase | 50 basis points decrease |
| Effect on the aggregate of the service cost and interest cost of defined benefit plans | (7) | 9 | (3) | 5 | 3 | (1) |
| Effect on the defined benefit obligation | 580 | (635) | 496 | (544) | 445 | (475) |

| Million US dollar | 2012 | | 2011 | | 2010 | |
|---|---|---|---|---|---|---|
| **Future salary increase** | 50 basis points increase | 50 basis points decrease | 50 basis points increase | 50 basis points decrease | 50 basis points increase | 50 basis points decrease |
| Effect on the aggregate of the service cost and interest cost of defined benefit plans | (4) | 3 | (4) | 3 | (3) | 3 |
| Effect on the defined benefit obligation | (42) | 39 | (30) | 29 | (30) | 28 |

| Million US dollar | 2012 | | 2011 | | 2010 | |
|---|---|---|---|---|---|---|
| **Longevity** | One year increase | One year decrease | One year increase | One year decrease | One year increase | One year decrease |
| Effect on the aggregate of the service cost and interest cost of defined benefit plans | (12) | 12 | (13) | 14 | (12) | 12 |
| Effect on the defined benefit obligation | (212) | 218 | (211) | 214 | (195) | 197 |

The above are purely hypothetical changes in individual assumptions holding all other assumptions constant: economic conditions and changes therein will often affect multiple assumptions at the same time and the effects of changes in key assumptions are not linear. Therefore, the above information is not necessarily a reasonable representation of future results.

The fair value of plan assets at 31 December consists of the following:

| | 2012 | 2011 |
|---|---|---|
| Government bonds | 28% | 28% |
| Corporate bonds | 24% | 24% |
| Equity instruments | 44% | 43% |
| Property | 3% | 3% |
| Cash | — | 1% |
| Insurance contracts and others | 1% | 1% |
| | 100% | 100% |

The five year history of the present value of the defined benefit obligations, the fair value of the plan assets and the deficit in the plans is as follows:

| Million US dollar | 2012 | 2011 | 2010 | 2009 | 2008 Adjusted |
|---|---|---|---|---|---|
| Present value of the defined benefit obligations | (9 055) | (8 150) | (7 396) | (6 856) | (6 565) |
| Fair value of plan assets | 5 704 | 5 095 | 5 074 | 4 645 | 3 873 |
| Deficit | (3 351) | (3 055) | (2 322) | (2 211) | (2 692) |
| Experience adjustments: (increase)/decrease plan liabilities | 45 | (76) | (15) | 42 | 289 |
| Experience adjustments: increase/(decrease) plan assets | 291 | (206) | 117 | 390 | (606) |

AB InBev expects to contribute approximately 270m US dollar for its funded defined benefit plans and 84m US dollar in benefit payments to its unfunded defined benefit plans and post-retirement medical plans in 2013.

## 25. SHARE-BASED PAYMENTS[1]

Different share and share option programs allow company senior management and members of the Board of Directors to receive or acquire shares of AB InBev or Ambev. AB InBev has three primary share-based compensation plans, the long-term incentive warrant plan ("LTI Warrant Plan"), established in 1999, the share-based compensation plan ("Share-Based Compensation Plan"), established in 2006 and amended as from 2010, and the long-term incentive stock-option plan ("LTI stock-option Plan"), established in 2009. For all option plans, the fair value of share-based payment compensation is estimated at grant date, using a binomial Hull model, modified to reflect the IFRS 2 *Share-based Payment* requirement that assumptions about forfeiture before the end of the vesting period cannot impact the fair value of the option.

Share-based payment transactions resulted in a total expense of 201m US dollar for the year 2012 (including the variable compensation expense settled in shares), as compared to 203m US dollar for the year 2011 and 156m US dollar in 2010.

### AB INBEV SHARE-BASED PAYMENT PROGRAMS

#### Share-Based Compensation Plan

As from 1 January 2010, the structure of the Share-Based Compensation Plan for certain executives, including the executive board of management and other senior management in the general headquarters, has been modified. From 1 January 2011, the new plan structure applies to all other senior management. Under this plan, the executive board of management and other senior employees will receive their bonus in cash but have the choice to invest some or all of the value of their bonus in AB InBev shares with a five-year vesting period, referred to as bonus shares. The company will match such voluntary investment by granting three matching shares for each bonus share voluntarily invested in, up to a limited total percentage of each participant's bonus. The matching shares are granted in the form of restricted stock units which have a five-year vesting period. Additionally, the holders of the restricted stock units may be entitled to receive from AB InBev additional restricted stock units equal to the dividends declared since the restricted stock units were granted.

During 2012, AB InBev issued 0.7m of matching restricted stock units according to the new Share-Based Compensation Plan, as described above, in relation to the 2011 bonus. These matching restricted stock units are valued at the share price of the day of grant, representing a fair value of approximately 46m US dollar, and cliff vest after five years. During 2011, AB InBev issued 1.1m of matching restricted stock units according to the new Share-Based Compensation Plan, with an estimated fair value of approximately 62.9m US dollar, in relation to the 2010 bonus.

#### LTI Warrant Plan

The company has issued warrants, or rights to subscribe for newly issued shares, under the LTI plan for the benefit of directors and, until 2006, members of the executive board of management and other senior employees. Since 2007, members of the executive board of management and other employees are no longer eligible to receive warrants under the LTI Warrant Plan, but instead receive a portion of their compensation in the form of shares and options granted under the Share-Based Compensation Plan and the LTI Stock-option Plan. Each LTI warrant gives its holder the right to subscribe for one newly issued share. The exercise price of LTI warrants is equal to the average price of the company's shares on the regulated market of Euronext Brussels during the 30 days preceding their issue date. LTI warrants granted in the years prior to 2007 (except for 2003) have a duration of ten years; LTI warrants granted as from 2007 (and in 2003) have a duration of five years. LTI warrants are subject to a vesting period ranging from one to three years.

During 2012, 0.2m warrants were granted to members of the Board of Directors. These warrants vest in equal annual installments over a three-year period (one third on 1 January of 2014, one third on 1 January 2015 and one third on 1 January 2016) and represent a fair value of approximately 2.5m US dollar. During 2011, 0.2m warrants with a fair value of approximately 3.0m US dollar were granted under this plan.

**LTI Stock-option Plan**

As from 1 July 2009, senior employees are eligible for an annual long-term incentive to be paid out in LTI stock options (or, in future, similar share-based instruments), depending on management's assessment of the employee's performance and future potential.

In November 2012 AB InBev issued 4.4m LTI stock options with an estimated fair value of 86m US dollar, whereby 1.2m options relate to American Depositary Shares (ADSs) and 3.2m options to AB InBev shares. In November 2011 AB InBev issued 4.1m LTI stock options with an estimated fair value of 66.2m US dollar, whereby 1.2m options relate to American Depositary Shares (ADSs) and 2.9m options to AB InBev shares.

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[1] Amounts have been converted to US dollar at the average rate of the period.

As from 2010 AB InBev has in place three specific long-term restricted stock unit programs. One program allows for the offer of restricted stock units to certain employees in certain specific circumstances, whereby grants are made at the discretion of the CEO, e.g. to compensate for assignments of expatriates in countries with difficult living conditions. The restricted stock units vest after five years and in case of termination of service before the vesting date, special forfeiture rules apply. In 2012, 0.1m restricted stock units with an estimated fair value of 1.0m US dollar were granted under this program to a selected number of employees. In 2011, 0.1m restricted stock units with an estimated fair value of 2.8m US dollar were granted under this program.

A second program allows for the exceptional offer of restricted stock units to certain employees at the discretion of the Remuneration Committee of AB InBev as a long-term retention incentive for key employees of the company. Employees eligible to receive a grant under this program receive two series of restricted stock units, the first half of the restricted stock units vesting after five years, the second half after ten years. In case of termination of service before the vesting date, special forfeiture rules apply. In December 2012 0.3m restricted stock units with an estimated fair value of 22.7m US dollar were granted under this program to a selected number of employees. In December 2011 0.1m restricted stock units with an estimated fair value of 5.4m US dollar were granted under this program.

A third program allows certain employees to purchase company shares at a discount aimed as a long-term retention incentive for (i) high-potential employees of the company, who are at a mid-manager level ("People bet share purchase program") or (ii) for newly hired employees. The voluntary investment in company shares leads to the grant of 3 matching shares for each share invested. The discount and matching shares are granted in the form of restricted stock units which vest after 5 years. In case of termination before the vesting date, special forfeiture rules apply. In 2012, the company's employees purchased shares under this program for the equivalent of 0.2m US dollar. In 2011, the company's employees purchased shares under this program for the equivalent of 0.2m US dollar.

In order to maintain consistency of benefits granted to executives and to encourage international mobility of executives, an options exchange program has been executed whereby unvested options are exchanged against restricted shares that remain locked-up until 31 December 2018. In 2012, 0.6m unvested options were exchanged against 0.5m restricted shares. In 2011, 2.0m unvested options were exchanged against 1.4m restricted shares. Furthermore, certain options granted have been modified whereby the dividend protected feature of these options have been cancelled and replaced by the issuance of options. In 2012 no new options were issued. In 2011 0.6m options were issued, representing the economic value of the dividend protection feature. As there was no change between the fair value of the original award immediately before the modification and the fair value of the modified award immediately after the modification, no additional expense was recorded as a result of the modification.

For further information on share-based payment grants of previous years, please refer to Note 25 *Share-based payments* of the 2011 consolidated financial statements.

The weighted average fair value of the options and assumptions used in applying the AB InBev option pricing model for the 2012 grants of awards described above are as follows:

| Amounts in US dollar unless otherwise indicated[1] | 2012 | 2011 | 2010 |
|---|---|---|---|
| Fair value of options and warrants granted | 19.57 | 14.95 | 14.59 |
| Share price | 86.87 | 57.04 | 51.71 |
| Exercise price | 86.83 | 56.88 | 51.61 |
| Expected volatility | 25% | 26% | 26% |
| Expected dividends | 2.50% | 2.50% | 2.35% |
| Risk-free interest rate | 1.73% | 2.84% | 3.29% |

Expected volatility is based on historical volatility calculated using 2 032 days of historical data. In the determination of the expected volatility, AB InBev is excluding the volatility measured during the period 15 July 2008 until 30 April 2009, in view of the extreme market conditions experienced during that period. The binomial Hull model assumes that all employees would immediately exercise their options if the AB InBev share price is 2.5 times above the exercise price. As a result, no single expected option life applies.

The total number of outstanding AB InBev options and warrants developed as follows:

| Million options and warrants | 2012 | 2011 | 2010 |
|---|---|---|---|
| Options and warrants outstanding at 1 January | 54.4 | 56.1 | 50.8 |
| Options and warrants issued during the year | 4.5 | 4.9 | 9.8 |
| Options and warrants exercised during the year | (3.3) | (4.1) | (1.8) |
| Options and warrants forfeited during the year | (2.3) | (2.5) | (2.7) |
| **Options and warrants outstanding at the end of December** | **53.3** | **54.4** | **56.1** |

The range of exercise prices of the outstanding options and warrants is between 10.32 euro (13.62 US dollar) and 66.88 euro (88.24 US dollar) while the weighted average remaining contractual life is 7.93 years.

Of the 53.3m outstanding options and warrants 4.7m are vested at 31 December 2012.

[1] Amounts have been converted to US dollar at the closing rate of the respective period.

The weighted average exercise price of the AB InBev options and warrants is as follows:

| Amounts in US dollar[1] | 2012 | 2011 | 2010 |
|---|---|---|---|
| Options and warrants outstanding at 1 January | 32.98 | 29.88 | 27.37 |
| Granted during the year | 87.94 | 56.52 | 51.86 |
| Exercised during the year | 31.85 | 23.83 | 25.81 |
| Forfeited during the year | 32.82 | 27.65 | 27.76 |
| Outstanding at the end of December | 38.31 | 32.98 | 29.88 |
| Exercisable at the end of December | 40.65 | 31.91 | 30.71 |

For share options and warrants exercised during 2012 the weighted average share price at the date of exercise was 58.64 euro (77.37 US dollar).

The total number of outstanding AB InBev restricted stock units developed as follows:

| Million restricted stock units | 2012 | 2011 | 2010 |
|---|---|---|---|
| Restricted stock units outstanding at 1 January | 2.3 | 1.2 | — |
| Restricted stock units issued during the year | 1.1 | 1.2 | 1.2 |
| Restricted stock units exercised during the year | — | — | — |
| Restricted stock units forfeited during the year | (0.1) | (0.1) | — |
| **Restricted stock units outstanding at the end of December** | **3.3** | **2.3** | **1.2** |

**AMBEV SHARE-BASED PAYMENT PROGRAMS**

Since 2005, Ambev has had a plan which is substantially similar to the Share-Based Compensation Plan under which bonuses granted to company employees and management are partially settled in shares. Under the Share-Based Compensation Plan as modified as of 2010, Ambev issued, in March 2012, 1m restricted stock units with an estimated fair value of 24m US dollar. In March 2011, Ambev issued 1.4m restricted stock units with an estimated fair value of 38m US dollar.

As from 2010, senior employees are eligible for an annual long-term incentive to be paid out in Ambev LTI stock options (or, in future, similar share-based instruments), depending on management's assessment of the employee's performance and future potential. In 2012, Ambev granted 3m LTI stock options with an estimated fair value of 43m US dollar. In 2011, Ambev granted 3.1m LTI stock options with an estimated fair value of 37m US dollar.

In order to encourage the mobility of managers, the features of certain options granted in previous years have been modified whereby the dividend protection of these options was cancelled and replaced by the issuance of 0.1m options in 2012 representing the economic value of the dividend protection feature. In 2011, 2.5m options were issued representing the economic value of the dividend protection feature. Since there was no change between the fair value of the original award before the modification and the fair value of the modified award after the modification, no additional expense was recorded as a result of this modification.

The weighted fair value of the options and assumptions used in applying a binomial option pricing model for the 2012 Ambev grants are as follows:

| Amounts in US dollar unless otherwise indicated[1] | 2012 | 2011 | 2010 |
|---|---|---|---|
| Fair value of options granted | 13.64 | 11.98 | 11.24 |
| Share price | 41.72 | 29.65 | 24.09 |
| Exercise price | 41.72 | 24.73 | 24.57 |
| Expected volatility | 33% | 34% | 28% |
| Expected dividends | 0.00% -5.00% | 0.00% -5.00% | 2.57% |
| Risk-free interest rate | 2.10% -11.20%[2] | 3.10% -11.89%[2] | 12.24% |

The total number of outstanding Ambev options developed as follows:

| Million options | 2012 | 2011 | 2010 |
|---|---|---|---|
| Options outstanding at 1 January | 29.6 | 26.3 | 20.6 |
| Options issued during the year | 3.1 | 5.6 | 6.6 |
| Options exercised during the year | (2.5) | (1.7) | (0.5) |
| Options forfeited during the year | (1.4) | (0.6) | (0.4) |
| **Options outstanding at the end of December** | **28.8** | **29.6** | **26.3** |

Following the decision of the General Meeting of Shareholders of 17 December 2010, each common and preferred share issued by Ambev was split into 5 shares, without any modification to the amount of the capital stock of Ambev. As a consequence of the split of the Ambev shares with a factor 5, the exercise price and the number of options were adjusted with the intention of preserving the

rights of the existing option holders.

The range of exercise prices of the outstanding options is between 11.52 Brazilian real (5.64 US dollar) and 89.20 Brazilian real (43.65 US dollar) while the weighted average remaining contractual life is 8.15 years.

Of the 28.8m outstanding options 5.0m options are vested at 31 December 2012.

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[1] Amounts have been converted to US dollar at the closing rate of the respective period.

[2] The weighted average risk-free interest rates refer to granted ADRs and stock options respectively.

The weighted average exercise price of the Ambev options is as follows:

| Amounts in US dollar[1] | 2012 | 2011 | 2010 |
|---|---|---|---|
| Options outstanding at 1 January | 15.92 | 14.83 | 12.46 |
| Granted during the year | 41.95 | 29.37 | 24.57 |
| Exercised during the year | 6.91 | 7.23 | 7.17 |
| Forfeited during the year | 6.82 | 12.66 | 11.59 |
| Outstanding at the end of December | 17.70 | 15.92 | 14.83 |
| Exercisable at the end of December | 9.28 | 7.04 | 7.00 |

For share options exercised during 2012 the weighted average share price at the date of exercise was 78.68 Brazilian real (38.50 US dollar).

The total number of outstanding Ambev restricted stock units developed as follows:

| Million restricted stock units | 2012 | 2011 | 2010 |
|---|---|---|---|
| Restricted stock units outstanding at 1 January | 1.6 | 0.2 | — |
| Restricted stock units issued during the year | 1.0 | 1.4 | 0.2 |
| Restricted stock units exercised during the year | — | — | — |
| Restricted stock units forfeited during the year | (0.3) | — | — |
| **Restricted stock units outstanding at the end of December** | **2.3** | **1.6** | **0.2** |

During 2012, a limited number of Ambev shareholders who are part of the senior management of AB InBev were given the opportunity to exchange Ambev shares against a total of 0.1m AB InBev shares (1.0m AB InBev shares in 2011) at a discount of 16.7% provided that they stay in service for another five years. The fair value of this transaction amounts to approximately 1.1m US dollar (10m US dollar in 2011) and is expensed over the five years' service period. The fair values of the Ambev and AB InBev shares were determined based on the market price.

## 26. PROVISIONS

| Million US dollar | Restructuring | Disputes | Other | Total |
|---|---|---|---|---|
| **Balance at 1 January 2012** | **272** | **803** | **40** | **1 115** |
| Effect of changes in foreign exchange rates | 3 | (22) | 1 | (18) |
| Changes through business combinations | — | 21 | — | 21 |
| Provisions made | 23 | 225 | 1 | 249 |
| Provisions used | (105) | (139) | (6) | (250) |
| Provisions reversed | (17) | (271) | (18) | (306) |
| Other movements | 1 | 7 | 2 | 10 |
| **Balance at 31 December 2012** | **177** | **624** | **20** | **821** |

| Million US dollar | Restructuring | Disputes | Other | Total |
|---|---|---|---|---|
| **Balance at 1 January 2011** | **241** | **869** | **40** | **1 150** |
| Effect of changes in foreign exchange rates | (4) | (42) | — | (46) |
| Provisions made | 200 | 172 | 12 | 384 |
| Provisions used | (141) | (163) | (8) | (312) |
| Provisions reversed | (23) | (74) | (4) | (101) |
| Other movements | (1) | 41 | — | 40 |
| **Balance at 31 December 2011** | **272** | **803** | **40** | **1 115** |

The restructuring provisions are primarily explained by the organizational alignments, as explained in Note 8 Exceptional. Provisions for disputes mainly relate to various disputed direct and indirect taxes and to claims from former employees.

The provisions are expected to be settled within the following time windows:

| Million US dollar | Total | < 1 year | 1-2 years | 2-5 years | > 5 years |
|---|---|---|---|---|---|
| **Restructuring** | | | | | |
| Reorganization | **177** | **57** | **28** | **80** | **12** |
| **Disputes** | | | | | |
| Income and indirect taxes | 395 | 65 | 266 | 49 | 15 |
| Labor | 131 | 30 | 47 | 46 | 8 |
| Commercial | 26 | 11 | 5 | 7 | 3 |

| | | | | | |
|---|---|---|---|---|---|
| Other disputes | 72 | 12 | 20 | 39 | 1 |
| | **624** | **118** | **338** | **141** | **27** |
| **Other contingencies** | | | | | |
| Onerous contracts | 4 | 2 | — | — | 2 |
| Guarantees given | 6 | — | 1 | 5 | — |
| Other contingencies | 10 | 3 | 2 | 2 | 3 |
| | **20** | **5** | **3** | **7** | **5** |
| **Total provisions** | **821** | **180** | **369** | **228** | **44** |

Since 1 January 2005 AB InBev is subject to the greenhouse gas emission allowance trading scheme in force in the European Union. Acquired emission allowances are recognized at cost as intangible assets. To the extent that it is expected that the number of allowances needed to settle the $CO_2$ emissions exceeds the number of emission allowances owned, a provision is recognized. Such provision is measured at the estimated amount of the expenditure required to settle the obligation. At 31 December 2012, the emission allowances owned fully covered the expected $CO_2$ emissions. As such no provision needed to be recognized.

## 27. TRADE AND OTHER PAYABLES

### NON-CURRENT TRADE AND OTHER PAYABLES

| Million US dollar | 2012 | 2011 |
|---|---|---|
| Indirect taxes payable | 381 | 397 |
| Trade payables | 461 | 466 |
| Cash guarantees | 12 | 11 |
| Deferred consideration on acquisitions | 1 125 | 91 |
| Derivatives | 273 | 508 |
| Other payables | 60 | 75 |
| | **2 312** | **1 548** |

The increase in the deferred consideration on acquisitions results from the put option included in the shareholders' agreement between Ambev and E. León Jimenes S.A. ("ELJ"), which may result in Ambev acquiring additional Class B shares of Cervecería Nacional Dominicana S.A. ("CND"). The put option granted to ELJ is exercisable as of the first year following the transaction. The valuation of this option is based on the EBITDA of the consolidated operations in Dominican Republic. As of 31 December 2012 such put option was valued at 1 040m US dollar and was recognized as a financial liability against equity.

### CURRENT TRADE AND OTHER PAYABLES

| Million US dollar | 2012 | 2011 |
|---|---|---|
| Trade payables and accrued expenses | 8 476 | 7 709 |
| Payroll and social security payables | 883 | 610 |
| Indirect taxes payable | 1 497 | 1 447 |
| Interest payable | 870 | 829 |
| Consigned packaging | 639 | 576 |
| Cash guarantees | 53 | 52 |
| Derivatives | 1 008 | 1 427 |
| Dividends payable | 765 | 566 |
| Deferred income | 28 | 30 |
| Deferred consideration on acquisitions | 41 | 36 |
| Other payables | 35 | 55 |
| | **14 295** | **13 337** |

Derivatives mainly reflect the mark-to-market of the interest rate swaps entered into to hedge the Anheuser-Busch acquisition financing, the pre-hedge of future bond issuances and the commodity forward contracts entered into to hedge the company's operational exposure (See also Note 28 *Risks arising from financial instruments*).

## 28. RISKS ARISING FROM FINANCIAL INSTRUMENTS

AB InBev's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest risk, commodity risk and equity risk), credit risk and liquidity risk. The company analyses each of these risks individually as well as on an interconnected basis, and defines strategies to manage the economic impact on the company's performance in line with its financial risk management policy.

Some of the company's risk management strategies include the usage of derivatives. The main derivative instruments used are foreign currency rate agreements, exchange traded foreign currency futures and options, interest rate swaps and forwards, cross currency interest rate swaps ("CCIRS"), exchange traded interest rate futures, commodity swaps, exchange traded commodity futures and equity swaps. AB InBev's policy prohibits the use of derivatives in the context of speculative trading.

The following table provides an overview of the derivative financial instruments outstanding at year-end by maturity bucket. The amounts included in this table are the notional amounts.

| | 2012 | | | | | 2011 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Million US dollar | < 1 year | 1-2 years | 2-3 years | 3-5 years | > 5 years | < 1 year | 1-2 years | 2-3 years | 3-5 years | > 5 years |
| **Foreign currency** | | | | | | | | | | |
| Forward exchange contracts | 5 900 | 8 | — | — | — | 5 614 | 1 422 | — | — | — |
| Foreign currency futures | 2 108 | — | — | — | — | 1 118 | 180 | 5 | — | — |
| **Interest rate** | | | | | | | | | | |
| Interest rate swaps | 6 783 | 12 700 | 1 550 | 3 697 | 500 | 70 578 | 6 583 | 11 050 | 350 | 160 |
| Cross currency interest rate swaps | 1 390 | 656 | 1 115 | 1 632 | 377 | 887 | 955 | 639 | 973 | 1 532 |
| Interest rate futures | — | — | 83 | 113 | — | 145 | — | 4 | 43 | 3 |
| Other interest rate derivatives | 1 000 | — | — | — | — | — | — | — | — | — |
| **Commodities** | | | | | | | | | | |
| Aluminum swaps | 1 351 | 54 | — | — | — | 1 372 | 553 | — | — | — |
| Other commodity derivatives | 820 | 201 | — | — | — | 756 | 87 | — | — | — |
| **Equity** | | | | | | | | | | |
| Equity derivatives | 2 590 | 1 125 | — | — | — | 399 | 710 | — | — | — |

To finance the acquisition of Anheuser-Busch, AB InBev entered into a 45 billion US dollar senior facilities agreement, of which 44 billion US dollar was ultimately drawn (the "2008 senior facilities"). At the time of the Anheuser-Busch acquisition, the interest rate for an amount of up to 34.5 billion US dollar had effectively been fixed through a series of hedge arrangements at a weighted average rate of 3.875% per annum (plus applicable spreads) for the period 2009 to 2011 and a portion of the hedging arrangements had been successively extended for an additional two-year period. In 2009 the company repaid part of the 2008 senior facilities and in 2010, the 2008 senior facilities were fully refinanced and partially replaced by the 2010 senior facilities as described in Note 23 *Interest-bearing loans and borrowings* of the 31 December 2011 consolidated financial statements. Following the repayment and the refinancing activities performed throughout 2009, 2010 and 2011, the company entered into new interest rate swaps to unwind the ones that became freestanding as a result of these repayments. As of 31 December 2011 and 2012, there were no remaining open positions covering the interest exposure on the outstanding balance drawn under the 2010 senior facilities. During 2012 interest rate swaps for a notional equivalent of approximately 70.6 billion US dollar came to maturity.

Furthermore, during 2012, the company entered into interest rate swaps for a total notional amount of 6.4 billion US dollar and into Treasury lock interest rate derivatives for a total notional amount of 1.0 billion US dollar in order to pre-hedge future bond issuances.

## A. FOREIGN CURRENCY RISK

AB InBev incurs foreign currency risk on borrowings, investments, (forecasted) sales, (forecasted) purchases, royalties, dividends, licenses, management fees and interest expense/income whenever they are denominated in a currency other than the functional currency of the subsidiary. The main derivative financial instruments used to manage foreign currency risk are foreign currency rate agreement, exchange traded foreign currency futures and cross currency interest rate swaps.

### FOREIGN EXCHANGE RISK ON OPERATING ACTIVITIES

As far as foreign currency risk on firm commitments and forecasted transactions is concerned, AB InBev's policy is to hedge operational transactions which are reasonably expected to occur (e.g. cost of goods sold and selling, general & administrative expenses) within the forecast period determined in the financial risk management policy. Operational transactions that are certain are hedged without any limitation in time.

The table below provides an indication of the company's main net foreign currency positions as regards firm commitments and forecasted transactions for the most important currency pairs. The open positions are the result of the application of AB InBev's risk management policy. Positive amounts indicate that the company is long (net future cash inflows) in the first currency of the currency pair while negative amounts indicate that the company is short (net future cash outflows) in the first currency of the currency pair. The second currency of the currency pairs listed is the functional currency of the related subsidiary.

| Million US dollar | 31 December 2012 Total exposure | Total derivatives | Open position | 31 December 2011 Total exposure | Total derivatives | Open position |
|---|---|---|---|---|---|---|
| Canadian dollar/US dollar | — | (95) | (95) | (10) | (82) | (92) |
| Euro/Brazilian real | — | — | — | (37) | 37 | — |
| Euro/Canadian dollar | (30) | 30 | — | (22) | 22 | — |
| Euro/Czech koruna | — | (11) | (11) | — | — | — |
| Euro/Hungarian forint | — | (15) | (15) | — | — | — |
| Euro/Pound sterling | (165) | 237 | 72 | (201) | 285 | 84 |
| Euro/Russian ruble | (85) | 149 | 64 | (127) | 162 | 35 |
| Euro/Ukrainian hryvnia | (98) | 80 | (18) | (109) | 52 | (57) |
| Pound sterling/Canadian dollar | (11) | 11 | — | (12) | 12 | — |
| Pound sterling/Euro | (53) | 29 | (24) | (33) | 8 | (25) |
| US dollar/Argentinean peso | (585) | 585 | — | (448) | 448 | — |
| US dollar/Bolivian boliviano | (70) | 70 | — | 72 | (72) | — |
| US dollar/Brazilian real | (1 542) | 1 542 | — | (1 508) | 1 508 | — |
| US dollar/Canadian dollar | (598) | 598 | — | (158) | 158 | — |
| US dollar/Chilean peso | (45) | 45 | — | 46 | (46) | — |
| US dollar/Dominican peso | (15) | 15 | — | (29) | 29 | — |
| US dollar/Euro | 146 | (44) | 102 | 102 | (102) | — |
| US dollar/Paraguayan guarani | (64) | 64 | — | (72) | 72 | — |
| US dollar/Peruvian nuevo sol | (85) | 85 | — | (53) | 53 | — |
| US dollar/Pound sterling | (34) | 30 | (4) | (43) | 41 | (2) |
| US dollar/Russian ruble | (75) | 92 | 17 | (98) | 92 | (6) |
| US dollar/Ukrainian hryvnia | (37) | 59 | 22 | (81) | 52 | (29) |
| US dollar/Uruguayan peso | (31) | 31 | — | (37) | 37 | — |

Further analysis on the impact of open currency exposures is performed in the *Currency Sensitivity Analysis* below.

In conformity with IAS 39 hedge accounting rules, these hedges of firm commitments and highly probable forecasted transactions denominated in foreign currency are designated as cash flow hedges.

**FOREIGN EXCHANGE RISK ON INTRAGROUP LOANS**

In 2011 and 2012, a series of foreign exchange derivatives were contracted to hedge the foreign currency risk from intercompany loans transacted between group entities with different functional currencies. As of 31 December 2012, intercompany loans with Russia were hedged against US dollar for an amount of 6 700m Russian ruble (6 300m Russian ruble in 2011).

**FOREIGN EXCHANGE RISK ON NET INVESTMENTS IN FOREIGN OPERATIONS**

AB InBev enters into hedging activities to mitigate exposures related to its investments in foreign operations. These strategies are designated as net investment hedges and include both derivative and non-derivative financial instruments.

As of 31 December 2012, designated derivative and non-derivative financial instruments in a net investment hedge relationship amount to 6 058m US dollar equivalent (7 841m US dollar in 2011) in Holding companies and approximately 3 290m US dollar equivalent (1 254m US dollar in 2011) at Ambev level. Those derivatives and non-derivatives are used to hedge foreign operations with functional currencies mainly denominated in Argentinean peso, Brazilian real, Bolivian boliviano, euro, Canadian dollar, Chilean peso, Dominican peso, pound sterling, Russian ruble, and US dollar.

**FOREIGN EXCHANGE RISK ON FOREIGN CURRENCY DENOMINATED DEBT**

It is AB InBev's policy to have the debt in the subsidiaries as much as possible in the functional currency of the subsidiary. To the extent this is not the case, hedging is put in place unless the cost to hedge outweighs the benefits. Following the acquisition of Anheuser-Busch, AB InBev adopted a hybrid currency matching model pursuant to which the company may (i) match net debt currency exposure to cash flows in such currency, measured on the basis of normalized EBITDA, by swapping a significant portion of US dollar debt to other currencies, such as Brazilian real (with a higher coupon), although this would negatively impact AB InBev's profit and earnings due to the higher Brazilian real interest coupon, and (ii) use AB InBev's US dollar cash flows to service interest payments under AB InBev's debt obligations.

A description of the foreign currency risk hedging related to the debt instruments issued in a currency other than the functional currency of the subsidiary is further detailed in the *Interest Rate Risk* section below.

**CURRENCY SENSITIVITY ANALYSIS**

***Currency transactional risk***

Most of AB InBev's non-derivative monetary financial instruments are either denominated in the functional currency of the subsidiary or are converted into the functional currency through the use of derivatives. However, the company can have open positions in certain Eastern European countries for which hedging can be limited as the illiquidity of the local foreign exchange market prevents the company from hedging at a reasonable cost. The transactional foreign currency risk mainly arises from open positions in Canadian dollar, Czech koruna, Hungarian forint, pound sterling, Russian ruble and Ukrainian hryvnia against the US dollar and the euro. AB InBev estimated the reasonably possible change of exchange rate, on the basis of the average volatility on the open currency pairs, as follows:

| | 2012 | | |
|---|---|---|---|
| | Closing rate 31 December 2012 | Possible closing rate[1] | Volatility of rates in % |
| Pound sterling/Euro | 1.23 | 1.16 - 1.3 | 5.74% |
| Euro/Czech koruna | 25.15 | 23.56 - 26.74 | 6.31% |
| Euro/Hungarian forint | 292.31 | 263.67 - 320.96 | 9.80% |
| Euro/Russian ruble | 40.07 | 37.12 - 43.03 | 7.37% |
| Euro/Ukrainian hryvnia | 10.55 | 9.67 - 11.42 | 8.31% |
| US dollar/Canadian dollar | 1.00 | 0.93 - 1.06 | 6.22% |
| US dollar/Euro | 0.76 | 0.70 - 0.82 | 7.93% |
| US dollar/Russian ruble | 30.37 | 27.09 - 33.66 | 10.82% |
| US dollar/Ukrainian hryvnia | 7.99 | 7.73 - 8.26 | 3.34% |

| | 2011 | | |
|---|---|---|---|
| | Closing rate 31 December 2011 | Possible closing rate[2] | Possible volatility of rates in % |
| Pound sterling/Euro | 1.20 | 1.10 - 1.30 | 8.45% |
| Euro/Russian ruble | 41.66 | 38.14 - 45.18 | 8.45% |
| Euro/Ukrainian hryvnia | 10.34 | 9.02 - 11.65 | 12.71% |
| US dollar/Canadian dollar | 1.02 | 0.92 - 1.13 | 10.30% |
| US dollar/Ukrainian hryvnia | 7.99 | 7.78 - 8.2 | 2.62% |

Had the Canadian dollar, the Czech koruna, the Hungarian forint, the pound sterling, the Russian ruble and the Ukrainian hryvnia weakened/strengthened during 2012 by the above estimated changes against the euro or the US dollar, with all other variables held constant, the 2012 impact on consolidated profit before taxes would have been approximately 12m US dollar (5m US dollar in 2011) higher/lower.

Additionally, the AB InBev sensitivity analysis[1] to the foreign exchange rates on its total derivatives positions as of 31 December 2012, shows a positive/negative pre-tax impact on equity reserves of 261m US dollar (356m US dollar in 2011).

**B. INTEREST RATE RISK**

The company applies a dynamic interest rate hedging approach whereby the target mix between fixed and floating rate debt is reviewed periodically. The purpose of AB InBev's policy is to achieve an optimal balance between cost of funding and volatility of financial results, while taking into account market conditions as well as AB InBev's overall business strategy.

**FAIR VALUE HEDGE**

***Pound sterling hedges (foreign currency risk + interest rate risk on borrowings in pound sterling)***

In June 2009, the company issued a pound sterling bond for an equivalent of 750m pound sterling. This bond bears interest at 6.50% with maturity in June 2017.

The company entered into several pound sterling fixed/euro floating cross currency interest rate swaps to manage and reduce the impact of changes in the pound sterling exchange rate and interest rate on this bond.

These derivative instruments have been designated in a fair value hedge and cash flow hedge accounting relationship.

***Ambev bond hedges (interest rate risk on borrowings in Brazilian real)***

In July 2007 Ambev issued a Brazilian real bond ("Bond 17"), which bears interest at 9.5% and is repayable semi-annually with final maturity date in July 2017.

Ambev entered into a fixed/floating interest rate swap to hedge the interest rate risk on such bond. These derivative instruments have

been designated in a fair value hedge accounting relationship.

***Private placement hedges (foreign currency risk + interest rate risk on borrowings in US dollar)***

The company borrowed 850m US dollar through private placement of which 775m US dollar matured during 2009 and 2010, and 75m US dollar are due in 2013.

The company entered into US dollar fixed/euro floating cross currency interest rate swaps for a total amount of 730m US dollar of which 655m US dollar expired during 2009 and 2010 and the remaining will mature in 2013.

As of 31 December 2012 and 2011, 75m US dollar hedges were designated for hedge accounting in fair value hedge relationships.

**CASH FLOW HEDGE**

***Floating interest rate risk on borrowings in US Dollar***

Following the refinancing and the repayment of the 2008 and 2010 senior facilities the interest rate swaps that were designated for the hedge of the financing of the Anheuser-Busch acquisition became freestanding given the repayment of part of these senior facilities. In order to offset the interest rate risk, the freestanding derivatives were unwound via additional offsetting trades.

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[1] Sensitivity analysis is assessed based on the yearly volatility using daily observable market data during 250 days at 31 December 2012.

[2] Sensitivity analysis is assessed based on the yearly volatility using daily observable market data during 250 days at 31 December 2011.

As of 31 December 2012 and 2011, there are no remaining open positions covering the interest exposure on the outstanding balance drawn under the 2010 senior facilities.

***Pre-hedge of future bond issuances***

During 2012, the company entered into interest rate swaps for a total notional amount of 6.4 billion US dollar and into Treasury lock interest rate derivatives for a total notional amount of 1.0 billion US dollar in order to pre-hedge future bond issuances.

**ECONOMIC HEDGE**

***Swiss franc bond hedges (foreign currency risk + interest rate risk on borrowings in Swiss franc)***

In May 2009, the company issued a Swiss franc bond for an equivalent of 600m Swiss franc. This bond bears interest at 4.51% with maturity in June 2014.

The company entered into a Swiss franc fixed/euro floating cross currency interest rate swap to manage and reduce the impact of changes in the Swiss franc exchange rate and interest rate on this bond.

This derivative instrument was designated in a fair value hedge accounting relationship in 2009. During 2010, although this derivative continues to be considered an economic hedge, hedge accounting designation was discontinued.

**INTEREST RATE SENSITIVITY ANALYSIS**

In respect of interest-bearing financial liabilities, the table below indicates their effective interest rates at balance sheet date as well as the split per currency in which the debt is denominated.

| 31 December 2012<br>Interest-bearing financial liabilities<br>Million US dollar | Before hedging<br>Effective interest rate | <br>Amount | After hedging<br>Effective interest rate | <br>Amount |
|---|---|---|---|---|
| **Floating rate** | | | | |
| Brazilian real | 6.79% | 747 | 6.90% | 1 082 |
| Dominican peso | 10.61% | 92 | 10.61% | 92 |
| Euro | 4.69% | 66 | 4.83% | 2 533 |
| Russian ruble | — | — | 6.22% | 215 |
| US dollar | 1.17% | 1 662 | 1.33% | 1 814 |
| | | **2 567** | | **5 736** |
| **Fixed rate** | | | | |
| Brazilian real | 8.25% | 708 | 8.27% | 554 |
| Canadian dollar | 3.65% | 601 | 3.65% | 601 |
| Dominican peso | 12.00% | 16 | 12.00% | 16 |
| Euro | 4.07% | 9 076 | 4.07% | 9 076 |
| Pound sterling | 7.88% | 2 233 | 9.75% | 881 |
| Swiss franc | 4.51% | 653 | — | — |
| US dollar | 4.53% | 28 487 | 4.58% | 27 477 |
| | | **41 774** | | **38 605** |

| 31 December 2011<br>Interest-bearing financial liabilities<br>Million US dollar | Before hedging<br>Effective interest rate | <br>Amount | After hedging<br>Effective interest rate | <br>Amount |
|---|---|---|---|---|
| **Floating rate** | | | | |
| Brazilian real | 9.61% | 1 361 | 10.05% | 3 105 |
| Euro | 1.52% | 1 471 | 2.85% | 3 789 |
| Russian ruble | — | — | 6.27% | 203 |
| US dollar | 0.71% | 3 536 | 1.05% | 2 752 |
| | | **6 368** | | **9 849** |
| **Fixed rate** | | | | |
| Brazilian real | 9.96% | 1 014 | 8.23% | 603 |
| Canadian dollar | 3.64% | 586 | 4.24% | 839 |
| Chinese yuan | 6.57% | 27 | 6.57% | 27 |
| Euro | 5.10% | 6 231 | 4.93% | 6 783 |
| Guatemalan quetzal | 6.76% | 23 | 6.76% | 23 |
| Pound sterling | 7.88% | 2 120 | 9.75% | 844 |
| Swiss franc | 4.51% | 635 | — | — |
| US dollar | 5.18% | 23 151 | 5.42% | 21 187 |

| | | | | |
|---|---|---|---|---|
| Other | 8.15% | 9 | 8.15% | 9 |
| | | **33 796** | | **30 315** |

At 31 December 2011, the total carrying amount of the floating and fixed rate interest-bearing financial liabilities before hedging listed above includes bank overdrafts of 8m US dollar.

As disclosed in the above table, 5 736m US dollar or 12.94% of the company's interest bearing financial liabilities bear a variable interest rate. The company estimated that the reasonably possible change of the market interest rates applicable to its floating rate debt after hedging is as follows:

| | 2012 | | |
|---|---|---|---|
| | Interest rate 31 December 2012[1] | Possible interest rate[2] | Volatility of rates in % |
| Brazilian real | 6.77% | 5.72% - 7.81% | 15.44% |
| Dominican peso | 5.00% | 4.12% - 5.88% | 17.51% |
| Euro | 0.19% | 0.15% - 0.22% | 19.03% |
| Russian ruble | 7.47% | 7.01% - 7.93% | 6.11% |
| US dollar | 0.31% | 0.29% - 0.32% | 6.19% |

| | 2011 | | |
|---|---|---|---|
| | Interest rate 31 December 2011[15] | Possible interest rate[2] | Volatility of rates in % |
| Brazilian real | 10.53% | 9.47% - 11.58% | 10.02% |
| Euro | 1.36% | 1.21% - 1.50% | 10.93% |
| Russian ruble | 7.22% | 5.85% - 8.59% | 19.04% |
| US dollar | 0.58% | 0.52% - 0.64% | 9.84% |

When AB InBev applies the reasonably possible increase/decrease in the market interest rates mentioned above on its floating rate debt at 31 December 2012, with all other variables held constant, 2012 interest expense would have been 14m US dollar higher/lower (2011: 43m US dollar). This effect would be compensated by 47m US dollar higher/lower interest income on AB InBev's interest-bearing financial assets (2011: 47m US dollar).

## C. COMMODITY PRICE RISK

The commodity markets have experienced and are expected to continue to experience price fluctuations. AB InBev therefore uses both fixed price purchasing contracts and commodity derivatives to minimize exposure to commodity price volatility. The company has important exposures to the following commodities: aluminum, barley, coal, corn grits, corn syrup, corrugated board, fuel oil, glass, hops, labels, malt, natural gas, orange juice, rice, steel and wheat. As of 31 December 2012, the company has the following commodity derivatives outstanding (in notional amounts): aluminum swaps for 1 405m US dollar (2011: 1 925m US dollar), natural gas and energy derivatives for 246m US dollar (2011: 274m US dollar), exchange traded sugar futures for 174m US dollar (2011: 133m US dollar), corn swaps for 392m US dollar (2011: 235m US dollar), exchange traded wheat futures for 136m US dollar (2011: 122m US dollar) and rice swaps for 73m US dollar (2011: 79m US dollar). These hedges are designated in a cash flow hedge accounting relationship.

### COMMODITY PRICE SENSITIVITY ANALYSIS

The impact of changes in the commodity prices for AB InBev's derivative exposures would have caused an immaterial impact on 2012 profits as most of the company's commodity derivatives are designated in a hedge accounting relationship.

The table below shows the estimated impact that changes in the price of the commodities, for which AB InBev held material derivative exposures at 31 December 2012, would have on the equity reserves.

| | 2012 | | |
|---|---|---|---|
| | | Pre-tax impact on equity | |
| Million US dollar | Volatility of prices in %[3] | Prices increase | Prices decrease |
| Aluminum | 19.35% | 201 | (201) |
| Sugar | 26.76% | 44 | (44) |
| Wheat | 31.20% | 42 | (42) |
| Energy | 16.92% | 40 | (40) |
| Rice | 20.10% | 14 | (14) |
| Corn | 28.37% | 87 | (87) |

| | 2011 | | |
|---|---|---|---|
| | | Pre-tax impact on equity | |
| Million US dollar | Volatility of prices in %[4] | Prices increase | Prices decrease |
| Aluminum | 22.40% | 315 | (315) |
| Sugar | 41.41% | 44 | (44) |
| Wheat | 38.11% | 64 | (64) |
| Energy | 21.91% | 49 | (49) |
| Rice | 28.76% | 24 | (24) |

| | | | |
|---|---|---|---|
| Corn | 33.21% | 72 | (72) |

[1] Applicable 3-month InterBank Offered Rates as of 31 December 2012 and as of 31 December 2011.

[2] Sensitivity analysis is assessed based on the yearly volatility using daily observable market data during 250 days at 31 December 2012 and at December 2011. For the Brazilian real floating rate debt, the estimated market interest rate is composed of the InterBank Deposit Certificate ('CDI') and the Long-Term Interest Rate ('TJLP'). With regard to other market interest rates, the company's analysis is based on the 3-month InterBank Offered Rates applicable for the currencies concerned (e.g. EURIBOR 3M, LIBOR 3M).

[3] Sensitivity analysis is assessed based on the yearly volatility using daily observable market data during 250 days at 31 December 2012.

[4] Sensitivity analysis is assessed based on the yearly volatility using daily observable market data during 250 days at 31 December 2011.

## D. EQUITY PRICE RISK

During 2010, 2011 and 2012, AB InBev entered into a series of derivative contracts to hedge the risk arising from the different share-based payment programs. The purpose of these derivatives is mainly to effectively hedge the risk that a price increase in the AB InBev shares will negatively impact future cash flows related to the share-based payments. Most of these derivative instruments could not qualify for hedge accounting therefore they have not been designated in any hedging relationships.

As of 31 December 2012, an exposure for an equivalent of 37.8m of AB InBev shares was hedged, resulting in a total gain of 375m US dollar recognized in the profit or loss account for the period.

During 2012, AB InBev reset with counterparties certain derivative contracts to market price, which resulted in a cash inflow of 675m US dollar and a decrease of counterparty risk.

### EQUITY PRICE SENSITIVITY ANALYSIS

The sensitivity analysis on the share-based payments hedging program, calculated based on a 19.18% (2011: 22.30%) reasonable possible volatility[1] of the AB InBev share price and with all the other variables held constant, would show 629m US dollar positive/negative impact on the 2012 profit before tax (2011: 287m US dollar).

## E. CREDIT RISK

Credit risk encompasses all forms of counterparty exposure, i.e. where counterparties may default on their obligations to AB InBev in relation to lending, hedging, settlement and other financial activities. The company has a credit policy in place and the exposure to counterparty credit risk is monitored.

AB InBev mitigates its exposure to counterparty credit risk through minimum counterparty credit guidelines, diversification of counterparties, working within agreed counterparty limits and through setting limits on the maturity of financial assets. The company has furthermore master netting agreements with most of the financial institutions that are counterparties to the derivative financial instruments. These agreements allow for the net settlement of assets and liabilities arising from different transactions with the same counterparty. Based on these factors, AB InBev considers the risk of counterparty default per 31 December 2012 to be limited.

AB InBev has established minimum counterparty credit ratings and enters into transactions only with financial institutions of investment grade. The company monitors counterparty credit exposures closely and reviews any downgrade in credit rating immediately. To mitigate pre-settlement risk, minimum counterparty credit standards become more stringent as the duration of the derivative financial instruments increases. To minimize the concentration of counterparty credit risk, the company enters into derivative transactions with different financial institutions.

### EXPOSURE TO CREDIT RISK

The carrying amount of financial assets represents the maximum credit exposure of the company. The carrying amount is presented net of the impairment losses recognized. The maximum exposure to credit risk at the reporting date was:

| | 2012 | | | 2011 | | |
|---|---|---|---|---|---|---|
| Million US dollar | Gross | Impairment | Net carrying amount | Gross | Impairment | Net carrying amount |
| Debt securities held for trading | 6 736 | — | 6 736 | — | — | — |
| Available for sale | 370 | (48) | 322 | 378 | (55) | 323 |
| Held to maturity | 25 | — | 25 | 24 | — | 24 |
| Trade receivables | 2 876 | (246) | 2 630 | 2 687 | (230) | 2 457 |
| Cash deposits for guarantees | 272 | — | 272 | 298 | — | 298 |
| Loans to customers | 130 | (100) | 30 | 161 | (109) | 52 |
| Other receivables | 1 802 | (134) | 1 668 | 1 491 | (122) | 1 369 |
| Derivatives | 639 | — | 639 | 1 272 | — | 1 272 |
| Cash and cash equivalents | 7 051 | — | 7 051 | 5 324 | (4) | 5 320 |
| | **19 901** | **(528)** | **19 373** | **11 635** | **(520)** | **11 115** |

There was no significant concentration of credit risks with any single counterparty per 31 December 2012.

### IMPAIRMENT LOSSES

The allowance for impairment recognized during the period per classes of financial assets was as follows:

| Million US dollar | 2012 Available for sale | Trade receivables | Loans to customers | Other receivables | Cash and cash equivalents | Total |
|---|---|---|---|---|---|---|
| Balance at 1 January | (55) | (230) | (109) | (122) | (4) | (520) |
| Impairment losses | — | (29) | (3) | (8) | — | (40) |
| Derecognition | 6 | 12 | 15 | 1 | — | 34 |
| Currency translation and other | 1 | 1 | (3) | (5) | 4 | (2) |
| **Balance at 31 December** | **(48)** | **(246)** | **(100)** | **(134)** | **0** | **(528)** |

| Million US dollar | 2011 Available for sale | Trade receivables | Loans to customers | Other receivables | Cash and cash equivalents | Total |
|---|---|---|---|---|---|---|
| Balance at 1 January | (55) | (234) | (118) | (125) | — | (532) |
| Impairment losses | (9) | (25) | (1) | (14) | (5) | (54) |
| Derecognition | 7 | 14 | 7 | 7 | — | 35 |
| Currency translation | 2 | 15 | 3 | 10 | 1 | 31 |
| **Balance at 31 December** | **(55)** | **(230)** | **(109)** | **(122)** | **(4)** | **(520)** |

| Million US dollar | 2010 Available for sale | Trade receivables | Loans to customers | Other receivables | Cash and cash equivalents | Total |
|---|---|---|---|---|---|---|
| Balance at 1 January | (34) | (214) | (102) | (117) | — | (467) |
| Impairment losses | (30) | (49) | (7) | — | — | (86) |
| Derecognition | 1 | 27 | 9 | — | — | 37 |
| Currency translation | 8 | 2 | (18) | (8) | — | (16) |
| **Balance at 31 December** | **(55)** | **(234)** | **(118)** | **(125)** | **—** | **(532)** |

## F. LIQUIDITY RISK

AB InBev's primary sources of cash flow have historically been cash flows from operating activities, the issuance of debt, bank borrowings and the issuance of equity securities. AB InBev's material cash requirements have included the following:

- Debt service;
- Capital expenditures;
- Investments in companies;
- Increases in ownership of AB InBev's subsidiaries or companies in which it holds equity investments;
- Share buyback programs; and
- Payments of dividends and interest on shareholders' equity.

The company believes that cash flows from operating activities, available cash and cash equivalent and short term investments, along with the derivative instruments and access to borrowing facilities, will be sufficient to fund capital expenditures, financial instrument liabilities and dividend payments going forward. It is the intention of the company to continue to reduce its financial indebtedness through a combination of strong operating cash flow generation and continued refinancing.

The following are the nominal contractual maturities of non-derivative financial liabilities including interest payments and derivative financial assets and liabilities:

| Million US dollar | 2012 Carrying amount[1] | Contractual cash flows | Less than 1 year | 1-2 years | 2-3 years | 3-5 years | More than 5 years |
|---|---|---|---|---|---|---|---|
| **Non-derivative financial liabilities** | | | | | | | |
| Secured bank loans | (151) | (161) | (35) | (50) | (25) | (28) | (23) |
| Commercial papers | (2 088) | (2 092) | (2 092) | — | — | — | — |
| Unsecured bank loans | (1 040) | (1 309) | (487) | (366) | (267) | (180) | (9) |
| Unsecured bond issues | (40 828) | (60 030) | (4 470) | (7 117) | (6 336) | (9 721) | (32 386) |
| Secured other loans | (5) | (6) | (6) | — | — | — | — |
| Unsecured other loans | (88) | (139) | (9) | (17) | (17) | (15) | (81) |
| Finance lease liabilities | (141) | (274) | (14) | (14) | (15) | (29) | (202) |
| Trade and other payables | (15 311) | (15 441) | (13 287) | (146) | (144) | (222) | (1 642) |
| | **(59 652)** | **(79 452)** | **(20 400)** | **(7 710)** | **(6 804)** | **(10 195)** | **(34 343)** |
| **Derivative financial assets/(liabilities)** | | | | | | | |
| Interest rate derivatives | (271) | (251) | (147) | (76) | (51) | 8 | 15 |
| Foreign exchange derivatives | (247) | (274) | (272) | (2) | — | — | — |
| Cross currency interest rate swaps | 22 | 53 | (64) | 30 | 31 | 56 | — |
| Commodity derivatives | (121) | (121) | (129) | 8 | — | — | — |
| Equity derivatives | (26) | (26) | (29) | 3 | — | — | — |
| | **(643)** | **(619)** | **(641)** | **(37)** | **(20)** | **64** | **15** |
| Of which: directly related to cash flow hedges | (273) | (273) | (216) | (39) | (53) | 20 | 15 |

[1] "Carrying amount" refers to net book value as recognized in the balance sheet at each reporting date.

| Million US dollar | 2011 Carrying amount[1] | Contractual cash flows | Less than 1 year | 1-2 years | 2-3 years | 3-5 years | More than 5 years |
|---|---|---|---|---|---|---|---|
| **Non-derivative financial liabilities** | | | | | | | |
| Secured bank loans | (155) | (169) | (65) | (33) | (29) | (36) | (6) |
| Commercial papers | (2 287) | (2 291) | (2 291) | — | — | — | — |
| Unsecured bank loans | (4 602) | (5 073) | (715) | (418) | (266) | (3 672) | (2) |
| Unsecured bond issues | (32 902) | (51 881) | (4 464) | (4 515) | (6 857) | (7 321) | (28 724) |
| Secured other loans | (6) | (6) | (1) | (5) | — | — | — |
| Unsecured other loans | (80) | (125) | (5) | (17) | (16) | (16) | (71) |
| Finance lease liabilities | (125) | (259) | (17) | (11) | (11) | (24) | (196) |
| Bank overdraft | (8) | (8) | (8) | — | — | — | — |
| Trade and other payables | (12 925) | (13 080) | (11 910) | (131) | (162) | (261) | (616) |
| | **(53 090)** | **(72 892)** | **(19 476)** | **(5 130)** | **(7 341)** | **(11 330)** | **(29 615)** |
| **Derivative financial assets/(liabilities)** | | | | | | | |
| Interest rate derivatives | (710) | (712) | (541) | (145) | (34) | — | 8 |
| Foreign exchange derivatives | 3 | (7) | (7) | — | — | — | — |
| Cross currency interest rate swaps | 189 | 221 | (27) | (33) | 162 | 60 | 59 |
| Commodity derivatives | (324) | (324) | (250) | (74) | — | — | — |
| Equity derivatives | 178 | 180 | 49 | 131 | — | — | — |
| | **(664)** | **(642)** | **(776)** | **(121)** | **128** | **60** | **67** |
| Of which: directly related to cash flow hedges | (243) | (253) | (173) | (80) | — | — | — |

## G. CAPITAL MANAGEMENT

AB InBev is continuously optimizing its capital structure targeting to maximize shareholder value while keeping the desired financial flexibility to execute the strategic projects. AB InBev's capital structure policy and framework aims to optimize shareholder value through cash flow distribution to the company from its subsidiaries, while maintaining an investment-grade rating and minimizing investments with returns below AB InBev's weighted average cost of capital. Besides the statutory minimum equity funding requirements that apply to the company's subsidiaries in the different countries, AB InBev is not subject to any externally imposed capital requirements. When analyzing AB InBev's capital structure the company uses the same debt/equity classifications as applied in the company's IFRS reporting.

## H. FAIR VALUE

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. In conformity with IAS 39 all derivatives are recognized at fair value in the balance sheet.

The fair value of derivative financial instruments is either the quoted market price or is calculated using pricing models taking into account current market rates.

The fair value of these instruments generally reflects the estimated amount that AB InBev would receive on the settlement of favorable contracts or be required to pay to terminate unfavorable contracts at the balance sheet date, and thereby takes into account any unrealized gains or losses on open contracts.

The following table summarizes for each type of derivative the fair values recognized as assets or liabilities in the balance sheet:

| Million US dollar | Assets 2012 | Assets 2011 | Liabilities 2012 | Liabilities 2011 | Net 2012 | Net 2011 |
|---|---|---|---|---|---|---|
| **Foreign currency** | | | | | | |
| Forward exchange contracts | 93 | 210 | (337) | (208) | (244) | 2 |
| Foreign currency futures | 27 | 32 | (30) | (31) | (3) | 1 |
| **Interest rate** | | | | | | |
| Interest rate swaps | 169 | 335 | (435) | (1 045) | (266) | (710) |
| Cross currency interest rate swaps | 258 | 407 | (236) | (218) | 22 | 189 |
| Other interest rate derivatives | — | — | (5) | — | (5) | — |
| **Commodities** | | | | | | |
| Aluminum swaps | 34 | 57 | (143) | (341) | (109) | (284) |
| Sugar futures | 8 | 11 | (22) | (18) | (14) | (7) |
| Wheat futures | 7 | 28 | (10) | (38) | (3) | (10) |
| Other commodity derivatives | 36 | 14 | (31) | (37) | 5 | (23) |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Equity** | | | | | | |
| Equity derivatives | 7 | 178 | (33) | — | (26) | 178 |
| | **639** | **1 272** | **(1 282)** | **(1 936)** | **(643)** | **(664)** |

[1] "Carrying amount" refers to net book value as recognized in the balance sheet at each reporting date.

During 2012, the net mark-to-market balance for interest rate swaps decreased by 444m US dollar, mainly driven by payment of interests on hedging instruments not part of a hedge relationship.

As of 31 December 2012, the net mark-to-market liability of 266m US dollar for interest rate swaps mostly includes the un-paid portion of the hedges that were unwound as a result of the repayment and the refinancing of the 2008 and 2010 senior facilities and that have been recorded as exceptional costs in the income statement in 2009, 2010 and 2011 (see Note 23 *Interest-bearing loans and borrowings*), as well as the mark-to-market of 6.4 billion US dollar designated to pre-hedging future bond issuances.

The following table summarizes the carrying amounts of the fixed rate interest-bearing financial liabilities and their fair value. Floating rate interest-bearing financial liabilities and all trade and other receivables and payables, including derivatives financial instruments, have been excluded from the analysis as their carrying amounts are a reasonable approximation of their fair values:

| Interest-bearing financial liabilities<br>Million US dollar | 2012<br>Carrying amount[1] | 2012<br>Fair value | 2011<br>Carrying amount[1] | 2011<br>Fair value |
|---|---|---|---|---|
| **Fixed rate** | | | | |
| Argentinean peso | — | — | (2) | (2) |
| Brazilian real | (708) | (748) | (1 014) | (963) |
| Canadian dollar | (601) | (632) | (586) | (614) |
| Chinese yuan | — | — | (27) | (27) |
| Dominican peso | (16) | (16) | — | — |
| Euro | (9 076) | (9 870) | (6 231) | (6 805) |
| Guatemalan quetzal | — | — | (23) | (23) |
| Peruvian nuevo sol | — | — | (7) | (7) |
| Pound sterling | (2 233) | (2 894) | (2 120) | (2 690) |
| Swiss franc | (653) | (695) | (635) | (691) |
| US dollar | (28 487) | (34 440) | (23 151) | (28 784) |
| | **(41 774)** | **(49 295)** | **(33 796)** | **(40 606)** |

As required by IFRS 7, the following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| Fair value hierarchy 2012<br>Million US dollar | Quoted (unadjusted) prices - level 1 | Observable market inputs - level 2 | Unobservable market inputs - level 3 |
|---|---|---|---|
| **Financial Assets** | | | |
| Held for trading (non-derivatives) | 6 736 | — | — |
| Available for sale | — | 91 | — |
| Derivatives at fair value through profit and loss | 17 | 346 | — |
| Derivatives in a cash flow hedge relationship | 16 | 124 | — |
| Derivatives in a fair value hedge relationship | — | 91 | — |
| Derivatives in a net investment hedge relationship | 15 | 30 | — |
| | **6 784** | **682** | **—** |
| **Financial Liabilities** | | | |
| Non-derivatives recognized at fair value | 5 | — | — |
| Deferred consideration on acquisitions at fair value | — | — | 1 040 |
| Derivatives at fair value through profit and loss | 20 | 753 | — |
| Derivatives in a cash flow hedge relationship | 43 | 370 | — |
| Derivatives in a fair value hedge relationship | — | 34 | — |
| Derivatives in a net investment hedge relationship | 12 | 50 | — |
| | **80** | **1 207** | **1 040** |

[1] "Carrying amount" refers to net book value as recognized in the balance sheet at each reporting date.

| Fair value hierarchy 2011<br>Million US dollar | Quoted (unadjusted) prices - level 1 | Observable market inputs - level 2 | Unobservable market inputs - level 3 |
|---|---|---|---|
| **Financial Assets** | | | |
| Available for sale | — | 103 | — |
| Derivatives at fair value through profit and loss | 42 | 726 | — |
| Derivatives in a cash flow hedge relationship | 11 | 239 | — |
| Derivatives in a fair value hedge relationship | — | 176 | — |
| Derivatives in a net investment hedge relationship | 9 | 69 | — |
| | **62** | **1 313** | **—** |
| **Financial Liabilities** | | | |
| Non-derivatives recognized at fair value | 5 | 52 | — |
| Derivatives at fair value through profit and loss | 26 | 1 332 | — |
| Derivatives in a cash flow hedge relationship | 50 | 443 | — |
| Derivatives in a fair value hedge relationship | — | 7 | — |
| Derivatives in a net investment hedge relationship | 4 | 74 | — |
| | **85** | **1 908** | **—** |

**DERIVATIVE INSTRUMENTS**

The fair value of exchange traded derivatives (e.g. exchange traded foreign currency futures) is determined by reference to the official prices published by the respective exchanges (e.g. the New York Board of Trade). The fair value of over-the-counter derivatives is determined by commonly used valuation techniques. These are based on market inputs from reliable financial information providers.

**NON-DERIVATIVE FINANCIAL LIABILITIES**

As part of the shareholders agreement between Ambev and E. León Jimenes S.A., following the acquisition of Cervecería Nacional Dominicana S.A. (“CND”), a put and call option is in place which may result in Ambev acquiring additional shares in CND. As of 31 December 2012, the put option was valued 1 040m US dollar and recognized as a deferred consideration on acquisitions at fair value in “level 3” category above. No value was allocated to the call option – see also Note 6 – *Acquisition and disposal of subsidiaries*. The fair value of such deferred consideration is calculated based on commonly-used valuation techniques (i.e. net present value of future principal and interest cash flows discounted at market rate). These are based on market inputs from reliable financial information providers.

Fair values determined by reference to prices provided by reliable financial information providers are periodically checked for consistency against other pricing sources.

## I. SIGNIFICANCE OF FINANCIAL INSTRUMENTS FOR FINANCIAL PERFORMANCE

The note at hand discloses the different elements composing AB InBev’s position towards financial risk and instruments. The effect of AB InBev’s financial risk management on performance mainly materializes in the items of income, expense, gains or losses recognized in the income statement or in the gains and losses directly recognized in equity (see Note 11 *Finance cost and income*).

## 29. OPERATING LEASES

Non-cancelable operating leases are payable and receivable as follows:

| | 2012 | | | | | |
|---|---|---|---|---|---|---|
| | Pub leases | | Other operational leases | | | Net lease |
| Million US dollar | Lessee | Sublease | Lessee | Sublease | Lessor | obligations |
| Less than one year | (117) | 92 | (124) | 38 | 3 | (108) |
| Between one and two years | (113) | 88 | (102) | 29 | 2 | (96) |
| Between two and three years | (109) | 83 | (86) | 23 | 1 | (88) |
| Between three and five years | (203) | 155 | (126) | 32 | 1 | (141) |
| More than five years | (831) | 206 | (269) | 11 | 4 | (879) |
| | **(1 373)** | **624** | **(707)** | **133** | **11** | **(1 312)** |

| | 2011 | | | | | |
|---|---|---|---|---|---|---|
| | Pub leases | | Other operational leases | | | Net lease |
| Million US dollar | Lessee | Sublease | Lessee | Sublease | Lessor | obligations |
| Less than one year | (114) | 89 | (119) | 34 | 5 | (105) |
| Between one and two years | (110) | 85 | (95) | 25 | 3 | (92) |
| Between two and three years | (106) | 81 | (75) | 20 | 2 | (78) |
| Between three and five years | (199) | 150 | (97) | 26 | 2 | (118) |

| | | | | | | |
|---|---|---|---|---|---|---|
| More than five years | (836) | 198 | (203) | 10 | 3 | (828) |
| | **(1 365)** | **603** | **(589)** | **115** | **15** | **(1 221)** |

Following the sale of Dutch and Belgian pub real estate to Cofinimmo in October 2007, AB InBev entered into lease agreements of 27 years. These operating leases maturing in November 2034 represent an undiscounted obligation of 1 373m US dollar. The pubs

leased from Cofinimmo are subleased for an average outstanding period of 6 to 8 years and represent an undiscounted right to receive 624m US dollar. These leases are subject to renewal after their expiration date. The impact of such renewal is not reported in the table above.

Furthermore, the company leases a number of warehouses, factory facilities and other commercial buildings under operating leases. The leases typically run for an initial period of five to ten years, with an option to renew the lease after that date. This represents an undiscounted obligation of 707m US dollar. Lease payments are increased annually to reflect market rentals. None of the leases include contingent rentals. Also in this category AB InBev has sublet some of the leased properties, representing an undiscounted right of 133m US dollar.

At 31 December 2012, 260m US dollar was recognized as an expense in the income statement in respect of operating leases as lessee (2011: 269m US dollar; 2010: 238m US dollar), while 145m US dollar was recognized as income in the income statement in respect of subleases (2011: 154m US dollar; 2010: 149m US dollar).

The company also leases out part of its own property under operating leases. At 31 December 2012, 7m US dollar was recognized as income in the income statement in respect of operating leases as lessor (2011: 8m US dollar; 2010: 9m US dollar).

## 30. COLLATERAL AND CONTRACTUAL COMMITMENTS FOR THE ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT, LOANS TO CUSTOMERS AND OTHER

| Million US dollar | 2012 | 2011 |
|---|---|---|
| Collateral given for own liabilities | 628 | 540 |
| Collateral and financial guarantees received for own receivables and loans to customers | 36 | 34 |
| Contractual commitments to purchase property, plant and equipment | 415 | 689 |
| Contractual commitments to acquire loans to customers | 23 | 40 |
| Other commitments | 867 | 782 |

The collateral given for own liabilities of 628m US dollar at 31 December 2012 contains 270m US dollar cash guarantees. Such cash deposits are a customary feature associated with litigations in Brazil: in accordance with Brazilian laws and regulations a company may or must (depending on the circumstances) place a deposit with a bank designated by the court or provide other security such as collateral on property, plant and equipment. With regard to judicial cases, AB InBev has made the appropriate provisions in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* – see also Note 26 *Provisions*. In the company's balance sheet the cash guarantees are presented as part of other receivables – see Note 20 *Trade and other receivables*. The remaining part of collateral given for own liabilities (358m US dollar) contains collateral on AB InBev's property in favor of the excise tax authorities, the amount of which is determined by the level of the monthly excise taxes due, inventory levels and transportation risk, and collateral on its property, plant and equipment with regard to outstanding loans. To the extent that AB InBev would not respect its obligations under the related outstanding contracts or would lose the pending judicial cases, the collateralized assets would be used to settle AB InBev's obligations.

To keep AB InBev's credit risk with regard to receivables and loans to customers as low as possible collateral and other credit enhancements were obtained for a total amount of 36m US dollar at 31 December 2012. Collateral is held on both real estate and debt securities while financial guarantees are obtained from banks and other third parties.

AB InBev has entered into commitments to purchase property, plant and equipment for an amount of 415m US dollar at 31 December 2012.

In a limited number of countries AB InBev has committed itself to acquire loans to customers from banks at their notional amount if the customers do not respect their reimbursement commitments towards the banks. The total outstanding amount of such loans is 23m US dollar at 31 December 2012.

Other commitments amount to 867m US dollar at 31 December 2012 and mainly cover guarantees given to pension funds, rental and other guarantees.

As at 31 December 2012, M&A related commitments existed with respect to the combination with Grupo Modelo and in China.

On 29 June 2012, AB InBev and Grupo Modelo, S.A.B. de C.V. announced that they had entered into an agreement under which AB InBev will acquire the remaining stake in Grupo Modelo that it does not already own for 9.15 US dollar per share in cash in a transaction valued at 20.1 billion US dollar. The combination will be completed through a series of steps that will simplify Grupo Modelo's corporate structure, followed by an all-cash tender offer by AB InBev for all outstanding Grupo Modelo shares that it will not own at that time. The transaction is subject to regulatory approvals in the U.S., Mexico and other countries and other customary closing conditions. Following the combination, 2 Grupo Modelo board members will join AB InBev's Board of Directors, and they have committed, only upon tender of their shares, to invest an aggregate amount of 1.5 billion US dollar of their proceeds from the tender offer into shares of AB InBev to be delivered within 5 years via a deferred share instrument. Such investment will happen at

the share price of 65 US dollar.

In a related transaction announced on 29 June 2012, Grupo Modelo will sell its existing 50% stake in Crown Imports, the joint venture that imports and markets Grupo Modelo's brands in the U.S., to Constellation Brands for 1.85 billion US dollar, giving Constellation Brands 100% ownership and control.

As part of AB InBev's acquisition of the 50% of Grupo Modelo it does not already own, on 14 February 2013, AB InBev announced that it agreed to sell Compañía Cervecera de Coahuila, Grupo Modelo's state-of-the-art brewery in Piedras Negras, Mexico, and grant perpetual brand licenses to Constellation Brands, Inc. for 2.9 billion US dollar, subject to a post-closing adjustment. AB InBev and Constellation Brands have also agreed to a three-year transition services agreement to ensure the smooth transition of the operation of the Piedras Negras brewery.

On 21 September 2012 AB InBev entered into agreements to acquire majority participations in four breweries in China for an aggregate purchase price of approximately 400m US dollar. Subject to customary regulatory approvals, these acquisitions are expected to close in the first quarter of 2013.

## 31. CONTINGENCIES[1]

The company has contingencies for which, in the opinion of management and its legal counsel, the risk of loss is possible but not probable and therefore no provisions have been recorded. The most significant contingencies are discussed below.

### TAX MATTERS

As of 31 December 2012, AB InBev's material tax proceedings mainly related to Ambev and its subsidiaries with a total estimated possible risk of loss of 10.8 billion Brazilian real (5.3 billion US dollar). As of 31 December 2011, the total estimated possible risk of loss amounted to 9.5 billion Brazilian real (5.1 billion US dollar).

Approximately 7.6 billion Brazilian real (3.7 billion US dollar) of the aforementioned total estimated possible risk related to income tax and social contributions and approximately 2.9 billion Brazilian real (1.4 billion US dollar) related to value added and excise taxes, of which the most significant are discussed below. As of 31 December 2011, the amounts related to income tax and social contributions and to value added and excise taxes were 7.0 billion Brazilian real (3.7 billion US dollar) and 2.2 billion Brazilian real (1.2 billion US dollar), respectively.

During the first quarter 2005, certain subsidiaries of Ambev received a number of assessments from Brazilian federal tax authorities relating to profits of its foreign subsidiaries. In December 2008, the Administrative Court decided on one of the tax assessments relating to earnings of Ambev's foreign subsidiaries. This decision was partially favorable to Ambev, and in connection with the remaining part, Ambev filed an appeal to the Upper House of the Administrative Court and is awaiting its decision. With respect to another of the tax assessments relating to foreign profits, the Administrative Court rendered a decision favorable to Ambev in September 2011. After these decisions, Ambev management estimates the total exposures of possible losses in relation to these assessments to be approximately 2.6 billion Brazilian real (1.3 billion US dollar) as of 31 December 2012. Ambev has not recorded any provision in connection therewith.

In December 2011, Ambev received a tax assessment related to the goodwill amortization resulting from the Inbev Holding Brasil S.A. merger with Ambev. Ambev filed an appeal in June 2012 and awaits the administrative level decision ('*Conselho Administrativo de Recursos Fiscais do Ministério da Fazenda - CARF*'). Ambev management estimates the amount of possible losses in relation to this assessment to be approximately 3.7 billion Brazilian real (1.8 billion US dollar) as of 31 December 2012. Ambev has not recorded any provision in connection therewith. In the event Ambev would be required to pay these amounts, Anheuser-Busch InBev SA/NV will reimburse Ambev the amount proportional to the benefit received by Anheuser-Busch InBev SA/NV pursuant to the merger protocol, as well as the respective costs.

Ambev and certain of its subsidiaries received a number of assessments from Brazilian federal tax authorities relating to the consumption of income tax losses in relation to company mergers. Ambev management estimates the total exposures of possible losses in relation to these assessments to be approximately of 522m Brazilian real (255m US dollar), as of 31 December 2012.

### WARRANTS

Certain holders of warrants issued by Ambev in 1996 for exercise in 2003 proposed lawsuits to subscribe correspondent shares for an amount lower than Ambev considers as established upon the warrant issuance. In case Ambev loses the totality of these lawsuits, the issuance of 27 684 596 preferred shares and 6 881 719 common shares would be necessary. Ambev would receive in consideration funds that are materially lower than the current market value. This could result in a dilution of about 1% to all Ambev shareholders. Furthermore, the holders of these warrants are claiming that they should receive the dividends relative to these shares since 2003, approximately 367m Brazilian real (180m US dollar) in addition to legal fees. Ambev disputes these claims and intends to continue to vigorously defend its case.

### ANTITRUST MATTERS

On 22 July 2009, CADE, the Brazilian antitrust authority issued its ruling in Administrative Proceeding No. 08012.003805/2004-1. This proceeding was initiated in 2004 as a result of a complaint filed by Schincariol (a South American brewery and beverage maker based in Brazil) and had, as its main purpose, the investigation of Ambev's conduct in the market, in particular its customer loyalty program known as "Tô Contigo," which is similar to airline frequent flyer and other mileage programs. During its investigation, the Secretariat of Economic Law of the Ministry of Justice ("SDE") concluded that the program should be considered anticompetitive unless certain adjustments were made. These adjustments had already been substantially incorporated into the then-current version of the Program. The SDE opinion did not threaten any fines and recommended that the other accusations be dismissed. After the SDE opinion was issued, the proceeding was sent to CADE, which issued a ruling that, among other things, imposed a fine in the amount of 353m Brazilian real (174m US dollar). Ambev believes that CADE's decision was without merit and thus has challenged it before

the federal courts, which have ordered the suspension of the fine and other parts of the decision upon its posting of a guarantee. Ambev has already rendered a court bond (carta de fiança) for this purpose. According to the opinion of Ambev's management, a loss is possible (but not probable), and therefore Ambev has not established a provision in its financial statements. This possible loss is expected to be limited to the aforementioned fine (which was 486m Brazilian Real (238m US dollar) as of 31 December 2012, reflecting accrued interests) and additional legal fees in connection with this matter. Ambev is also involved in other administrative proceedings before CADE and SDE, relating to the investigation of certain conduct, none of which the company believes contravenes applicable competition rules and regulations

[1] Amounts have been converted to US dollar at the closing rate of the respective period.

In August 2011, the German Federal Cartel Office (Bundeskartellamt) launched an investigation against several breweries and retailers in Germany in connection with an allegation of anticompetitive vertical price maintenance by breweries vis-à-vis their trading partners in Germany. Depending on the outcome of the investigation, the company may face fines. The company is taking the appropriate steps in the pending proceedings but has not recorded any provisions for any potential fines at this point in time, as AB InBev management does not know whether the company will eventually face any such fines and, in any event, cannot at this stage reliably estimate the appropriate amount. In addition, the company cannot at this stage estimate the likely timing of the resolution of this matter.

**2009 DISPOSITIONS PENSION LITIGATION**

On 1 December 2009, AB InBev and several of its related companies were sued in Federal Court in the Eastern District of Missouri in a lawsuit styled Richard F. Angevine v. AB InBev, et al. The plaintiff sought to represent a class of certain employees of Busch Entertainment Corporation, which was divested on 1 December 2009, and the four Metal Container Corporation plants which were divested on 1 October 2009. He also sought to represent certain employees of any other subsidiary of Anheuser-Busch Companies, Inc. (ABC) that had been divested or may be divested during the 18 November 2008 and 17 November 2011 period. The lawsuit contained claims that the class was entitled to enhanced retirement benefits under sections 4.3 and 19.11(f) of the Anheuser-Busch Companies' Salaried Employees' Pension Plan (the "Plan"). Specifically, plaintiff alleged that the divestitures resulted in his "involuntarily termination" from "ABC and its operating division and subsidiaries" within three years after the 18 November 2008 ABC/InBev merger, which allegedly triggered the enhanced benefits under the Plan. The lawsuit claimed that by failing to provide the class members with these enhanced benefits, AB InBev, et al. breached their fiduciary duties under ERISA. The complaint sought punitive damages and attorneys' fees. On 16 July 2010, the Court ruled that the claims for breach of fiduciary duty and punitive damages were not proper. The Court also found that Angevine did not exhaust his administrative remedies, which he must first do before filing a lawsuit. Angevine filed an appeal of this ruling with the Eighth Circuit Court of Appeals. On 22 July 2011, the Court of Appeals affirmed the decision of the lower court. No further appeals were filed.

On 15 September 2010, AB InBev and several of its related companies were sued in Federal Court for the Southern District of Ohio in a lawsuit entitled Rusby Adams et al. v. AB InBev et al. This lawsuit was filed by four employees of Metal Container Corporation's facilities in Columbus, Ohio, Gainesville, Florida, and Ft. Atkinson, Wisconsin that were divested on 1 October 2009. Similar to the Angevine lawsuit, these plaintiffs seek to represent a class of participants of the Anheuser-Busch Companies' Inc. Salaried Employees' Pension Plan (the "Plan") who had been employed by subsidiaries of Anheuser-Busch Companies, Inc. that had been or may be divested during the period of 18 November 2008 and 17 November 2011. The plaintiffs also allege claims similar to the Angevine lawsuit: (1) that they are entitled to benefits under section 19.11(f) of the Plan; and (2) that the denial of benefits was a breach of fiduciary duty. AB InBev believed that it has defenses to these claims, and filed a motion to dismiss. On April 25, 2011, the Court dismissed the breach of fiduciary duty claims, and the only remaining claim is for benefits under section 19.11(f). On 28 March 2012, the Court certified that the case could proceed as a class action comprised of former employees of the divested MCC operations. Merits briefing has been completed and we are awaiting a decision by the Court. On 9 January 2013, the Court granted our motion for Judgment on the Administrative Record. The plaintiffs appealed this decision on 2 February 2013.

On 10 January 2012, a class action complaint asserting claims very similar to those asserted in the Angevine lawsuit was filed in Federal Court for the Eastern District of Missouri, styled Nancy Anderson et al. v. Anheuser-Busch Companies Pension Plan et al. Unlike the Angevine case, however, the plaintiff in this matter alleges complete exhaustion of all administrative remedies. The company filed a motion to dismiss on 9 October 2012, which is still pending.

On 10 October 2012, another class action complaint was filed against Anheuser-Busch Companies, LLC, Anheuser-Busch Companies Pension Plan, Anheuser-Busch Companies Pension Plan Appeals Committee and the Anheuser-Busch Companies Pension Plans Administrative Committee. This complaint, filed in Federal Court in the Southern District of California, was amended on 12 October 2012. Like the other lawsuits, it claims that the employees of any divested assets were entitled to enhanced retirement benefits under section 19.11(f) of the Plan. However, it specifically excludes the divested Metal Container Corporation facilities that have been included in the Adams class action. On 6 November 2012, the plaintiffs filed a motion asking the court to move the Anderson case to California to join it with the Anderson case for discovery. The company filed a motion to dismiss/motion to transfer the case to Missouri on 12 November 2012. On 30 January 2013, the Court granted the motion to transfer, so this case will now proceed in Federal Court in Missouri.

## 32. RELATED PARTIES

**TRANSACTIONS WITH DIRECTORS AND EXECUTIVE BOARD MANAGEMENT MEMBERS (KEY MANAGEMENT PERSONNEL)**

In addition to short-term employee benefits (primarily salaries) AB InBev's executive board management members are entitled to post-employment benefits. More particular, members of the executive board management participate in the pension plan of their respective country – see also Note 24 *Employee Benefits*. Finally, key management personnel are eligible for the company's share option; restricted stock and/or share swap program (refer Note 25 *Share-based Payments*). Total directors and executive board management compensation included in the income statement can be detailed as follows

| Million US dollar | 2012 | | 2011 | | 2010 | |
|---|---|---|---|---|---|---|
| | Directors | Executive board management | Directors | Executive board management | Directors | Executive board management |
| Short-term employee benefits | 3 | 25 | 3 | 21 | 4 | 35 |
| Post-employment benefits | — | 2 | — | 3 | — | 2 |
| Share-based payments | 3 | 51 | 4 | 51 | 5 | 43 |
| | **6** | **78** | **7** | **75** | **9** | **80** |

Directors' compensation consists mainly of directors' fees. Key management personnel was not engaged in any transactions with AB InBev and did not have any significant outstanding balances with the company, with the exception of a consultancy agreement entered into between AB InBev and Mr. Busch IV in connection with the merger and which will continue until 31 December 2013. Under the terms of the consultancy agreement Mr. Busch IV received a lump sum cash payment of 10.3m US dollar in 2008. During the consultancy period Mr. Busch IV will be paid a fee of approximately 120 000 US dollar per month and Mr. Busch IV will be provided with an appropriate office in St Louis, Missouri, administrative support and certain employee benefits that are materially similar to those provided to full-time salaried employees of Anheuser-Busch. The mandate of Mr. Busch IV as a director of AB InBev expired in April 2011.

**JOINTLY CONTROLLED ENTITIES**

AB InBev reports its interest in jointly controlled entities using the line-by-line reporting format for proportionate consolidation. Significant interests in joint ventures include two distribution entities in Canada, two entities in Brazil, one in China and one in UK. None of these joint ventures are material to the company. Aggregate amounts of AB InBev's interest are as follows:

| Million US dollar | 2012 | 2011 | 2010 |
|---|---|---|---|
| Non-current assets | 129 | 129 | 113 |
| Current assets | 72 | 72 | 69 |
| Non-current liabilities | 154 | 162 | 99 |
| Current liabilities | 120 | 124 | 217 |
| Result from operations | 18 | 17 | 11 |
| Profit attributable to equity holders of AB InBev | 9 | 4 | 1 |

**TRANSACTIONS WITH ASSOCIATES**

AB InBev's transactions with associates were as follows:

| Million US dollar | 2012 | 2011 | 2010 |
|---|---|---|---|
| Gross profit | 232 | 259 | 36 |
| Current assets | 14 | 6 | 8 |
| Current liabilities | 9 | 9 | 11 |

**TRANSACTIONS WITH PENSION PLANS**

AB InBev's transactions with pension plans mainly comprise 11m US dollar other income from pension plans in US and 5m US dollar other income from pension plans in Brazil.

**TRANSACTIONS WITH GOVERNMENT-RELATED ENTITIES**

AB InBev has no material transactions with government-related entities.

## 33. SUPPLEMENTAL GUARANTOR FINANCIAL INFORMATION

The following guarantor financial information is presented to comply with U.S. SEC disclosure requirements of Rule 3-10 of Regulation S-X.

The issuances or exchanges of securities described below are related to securities fully and unconditionally guaranteed by AB InBev SA/NV (the "Parent Guarantor SEC registered") and also jointly and severally guaranteed by Anheuser-Busch Companies, LLC, Anheuser-Busch InBev Finance Inc., BrandBrew S.A., Brandbev S.à r.l. and Cobrew NV/SA (the "Subsidiary Guarantors"). In December 2012 the guarantee structure was amended to include Anheuser-Busch InBev Finance Inc. as a subsidiary guarantor for existing debt, who was also the issuer of new registered debt in January 2013, see Note 34 *Events after the balance sheet date.*

- On 13 October 2009, Anheuser-Busch InBev Worldwide Inc. issued (i) 1.5 billion US dollar principal amount of 3.0% unsecured notes due 2012, (ii) 1.25 billion US dollar principal amount of 4.125% unsecured notes due 2015, (iii) 2.25 billion US dollar principal amount of 5.375% unsecured notes due 2020 and (iv) 0.5 billion US dollar principal amount of 6.375% unsecured notes due 2040 (collectively the "October Notes"). The October Notes were exchanged for publicly registered notes on 8 February 2010.
- On 24 March 2010, Anheuser-Busch Worldwide Inc. issued (i) 1.0 billion US dollar principal amount of 2.5% unsecured notes due 2013, (ii) 0.75 billion US dollar principal amount 3.625% unsecured notes due 2015, (iii) 1.0 billion US dollar principal amount of 5.0% due 2020 and (iv) 0.5 billion US dollar bearing interest at a floating rate of 3 month US dollar LIBOR plus 0.73% due 2013 (collectively the "March Notes"). These Notes were exchanged for publicly registered notes on 5 August 2010.
- On 10 November 2010, Anheuser-Busch InBev Worldwide Inc. issued 0.75 billion Brazilian real principal amount of 9.75% notes due 2015.
- On 24 January 2011, AB InBev Worldwide Inc. issued a series of notes in an aggregate principal amount of 1.65 billion, consisting of 0.65 billion US dollar aggregate principal amount of floating rate notes due 2014, 0.5 billion US dollar aggregate principal amount of fixed rate notes due 2016 and 0.5 billion US dollar aggregate principal amount of fixed rate notes due 2021. The notes bear interest at an annual rate of 55 basis points above three-month LIBOR for the floating rate notes, 2.875% for the 2016 notes, and 4.375% for the 2021 notes. The notes will mature on 27 January 2014 in the case of the floating rate notes, 15 February 2016 in the case of the 2016 notes and 15 February 2021 in the case of the 2021 notes. The issuance closed on 27 January 2011.
- On 11 February 2011, Anheuser-Busch InBev Worldwide Inc. announced that it had filed a Registration Statement on Form F-4 with the United States Securities and Exchange Commission ("SEC") seeking to undertake an exchange offer of (i) 1.25 billion US dollar principal amount of 7.2 % notes due 2014, (ii) 2.5 billion US dollar principal amount of 7.75 % notes due 2019, (iii) 1.25 billion US dollar principal amount of 8.2 % notes due 2039 (collectively the "January Notes") and (iv) 1.55 billion US dollar principal amount of 5.375 % notes due 2014, (v) 1.0 billion US dollar principal amount of 6.875 % notes due 2019, and (vi) 0.45 billion US dollar principal amount of 8.0 % notes due 2039 (collectively the "May Notes") . Anheuser-Busch InBev Worldwide would offer to exchange unregistered notes which have been privately issued under Rule 144A for freely tradable notes registered under the Securities Act of 1933 with otherwise substantially the same terms and conditions. The exchange offer closed on 14 March 2011.
- On 19 May 2011, Anheuser-Busch InBev Worldwide Inc. announced that it has provided the holders of the 7.20% notes due 2014 ("Notes") notice of its intention to redeem the outstanding 1.25 billion US dollar principal amount of the Notes, effective 20 June 2011. The Notes were originally issued on 12 January 2009 under the Base Indenture dated 12 January 2009 and the First Supplemental Indenture of the same date between Anheuser-Busch InBev Worldwide Inc. and The Bank of New York Mellon, as trustee. Such notes were exempt from registration under the Securities Act of 1933, as amended ("Securities Act") and were voluntarily exchanged by Anheuser-Busch InBev Worldwide Inc. for freely tradable notes registered under the Securities Act with otherwise substantially identical terms and conditions in a tender offer that closed on 14 March 2011. The redemption closed on 20 June 2011.
- On 14 July 2011, Anheuser-Busch InBev Worldwide Inc. issued 1.05 billion US dollar aggregate principal amount of bonds, consisting of 300 million US dollar aggregate principal amount of floating rate notes due 2014 and 750 million US dollar aggregate principal amount of fixed rate notes due 2014. The notes will bear interest at an annual rate of 36 basis points above three-month LIBOR for the floating rate notes and 1.50% for the fixed rate notes.
- On 16 July 2012, Anheuser-Busch InBev Worldwide Inc., issued 7.5 billion US dollar aggregate principal amount of bonds, consisting of 1.5 billion US dollar aggregate principal amount of fixed rate notes due 2015, 2.0 billion US dollar aggregate principal amount of fixed rate notes due 2017, 3.0 billion US dollar aggregate principal amount of fixed rate notes due 2022 and 1.0 billion US dollar aggregate principal amount of fixed rate notes due 2042. The notes will bear interest at an annual rate of 0.800% for the 2015 notes, 1.375% for the 2017 notes, 2.500% for the 2022 notes and 3.750% for the 2042 notes.

The following condensed consolidating financial information presents the Condensed Consolidating Statement of Financial Position

as of 31 December 2012 and 2011, the Condensed Consolidating Income Statements and Condensed Consolidating Statements of Cash Flows for the years ended 31 December 2012, 2011 and 2010 of (a) AB InBev SA/NV (the "Parent Guarantor"), (b) Anheuser-Busch Worldwide Inc. (the Issuer), (c) the Subsidiary Guarantors, (d) the non-guarantor subsidiaries, (e) elimination entries necessary to consolidate the Parent with the issuer, the guarantor subsidiaries and the non-guarantor subsidiaries; and (e) the Company on a consolidated basis. Investments in consolidated subsidiaries are presented under the equity method of accounting. Separate financial statements and other disclosures with respect to the guarantor subsidiaries have not been provided as management believes the following information is sufficient, as the guarantor subsidiaries are 100% owned by the Parent and all guarantees are full and unconditional. Except as disclosed in Note 22 *Changes in Equity and Earnings per Share*, there are no restrictions on the Company's ability to obtain funds from any of its direct or indirect wholly-owned subsidiaries through dividends, loans or advances.

**CONDENSED CONSOLIDATING INCOME STATEMENT**

| For the year ended 31 December 2012<br>Million US dollar | AB InBev NV/SA | AB InBev Worldwide Inc | Subsidiary Guarantors | Non-Guarantors | Eliminations | Total |
|---|---|---|---|---|---|---|
| **Revenue** | **—** | **—** | **14 197** | **26 658** | **(1 097)** | **39 758** |
| Cost of sales | (3) | — | (6 483) | (11 058) | 1 097 | (16 447) |
| **Gross profit** | **(3)** | **—** | **7 714** | **15 600** | **—** | **23 311** |
| Distribution expenses | — | — | (943) | (2 842) | — | (3 785) |
| Sales and marketing expenses | (89) | — | (1 591) | (3 578) | — | (5 258) |
| Administrative expenses | (352) | — | (273) | (1 562) | — | (2 187) |
| Other operating income/(expenses) | 781 | 790 | (1 316) | 397 | — | 652 |
| **Profit from operations** | **337** | **790** | **3 591** | **8 015** | **—** | **12 733** |
| **Net finance cost** | **(66)** | **(2 370)** | **523** | **(293)** | **—** | **(2 206)** |
| Share of result of associates | — | — | 5 | 619 | — | 624 |
| **Profit before tax** | **271** | **(1 580)** | **4 119** | **8 341** | **—** | **11 151** |
| Income tax expense | 200 | 722 | (1 322) | (1 317) | — | (1 717) |
| **Profit** | **471** | **(858)** | **2 797** | **7 024** | **—** | **9 434** |
| Income from subsidiaries | 6 772 | 2 240 | 718 | 130 | (9 860) | — |
| **Profit** | **7 243** | **1 382** | **3 515** | **7 154** | **(9 860)** | **9 434** |
| Attributable to: | | | | | | |
| Equity holders of AB InBev | 7 243 | 1 382 | 3 515 | 4 963 | (9 860) | 7 243 |
| Non-controlling interest | — | — | — | 2 191 | — | 2 191 |

| For the year ended 31 December 2011<br>Million US dollar | AB InBev NV/SA | AB InBev Worldwide Inc | Subsidiary Guarantors | Non-Guarantors | Eliminations | Total |
|---|---|---|---|---|---|---|
| **Revenue** | **—** | **—** | **13 412** | **26 688** | **(1 054)** | **39 046** |
| Cost of sales | (2) | — | (6 510) | (11 177) | 1 055 | (16 634) |
| **Gross profit** | **(2)** | **—** | **6 902** | **15 511** | **1** | **22 412** |
| Distribution expenses | 3 | — | (427) | (2 889) | — | (3 313) |
| Sales and marketing expenses | (88) | — | (1 427) | (3 628) | — | (5 143) |
| Administrative expenses | (265) | — | (330) | (1 448) | — | (2 043) |
| Other operating income/(expenses) | 671 | (261) | (275) | 282 | (1) | 416 |
| **Profit from operations** | **319** | **(261)** | **4 443** | **7 828** | **—** | **12 329** |
| **Net finance cost** | **(753)** | **(2 313)** | **484** | **(555)** | **—** | **(3 137)** |
| Share of result of associates | — | — | 7 | 616 | — | 623 |
| **Profit before tax** | **(434)** | **(2 574)** | **4 934** | **7 889** | **—** | **9 815** |
| Income tax expense | (6) | 1 116 | (1 504) | (1 462) | — | (1 856) |
| **Profit** | **(440)** | **(1 458)** | **3 430** | **6 427** | **—** | **7 959** |
| Income from subsidiaries | 6 295 | 3 172 | 992 | 2 695 | (13 154) | — |
| **Profit** | **5 855** | **1 714** | **4 422** | **9 122** | **(13 154)** | **7 959** |
| Attributable to: | | | | | | |
| Equity holders of AB InBev | 5 855 | 1 714 | 4 422 | 7 018 | (13 154) | 5 855 |
| Non-controlling interest | — | — | — | 2 104 | — | 2 104 |

| For the year ended 31 December 2010<br>Million US dollar | AB InBev NV/SA | AB InBev Worldwide Inc | Subsidiary Guarantors | Non-Guarantors | Eliminations | Total |
|---|---|---|---|---|---|---|
| **Revenue** | — | — | **13 417** | **23 931** | **(1 051)** | **36 297** |
| Cost of sales | — | — | (6 717) | (10 479) | 1 045 | (16 151) |
| **Gross profit** | **—** | **—** | **6 700** | **13 452** | **(6)** | **20 146** |
| Distribution expenses | — | — | (409) | (2 504) | — | (2 913) |
| Sales and marketing expenses | (34) | — | (1 376) | (3 302) | — | (4 712) |
| Administrative expenses | (270) | — | (373) | (1 317) | — | (1 960) |
| Other operating income/(expenses) | 839 | (358) | (380) | 229 | 6 | 336 |
| **Profit from operations** | **535** | **(358)** | **4 162** | **6 558** | **—** | **10 897** |
| **Net finance cost** | **107** | **(1 955)** | **(796)** | **(1 092)** | **—** | **(3 736)** |
| Share of result of associates | — | — | 6 | 515 | — | 521 |
| **Profit before tax** | **642** | **(2 313)** | **3 372** | **5 981** | **—** | **7 682** |
| Income tax expense | (116) | 887 | (1 501) | (1 190) | — | (1 920) |
| **Profit** | **526** | **(1 426)** | **1 871** | **4 791** | **—** | **5 762** |
| Income from subsidiaries | 3 500 | 2 888 | 867 | 1 150 | (8 405) | — |
| **Profit** | **4 026** | **1 462** | **2 738** | **5 941** | **(8 405)** | **5 762** |
| Attributable to: | | | | | | |
| Equity holders of AB InBev | 4 026 | 1 462 | 2 738 | 4 205 | (8 405) | 4 026 |
| Non-controlling interest | — | — | — | 1 736 | — | 1 736 |

## CONDENSED CONSOLIDATING STATEMENT OF FINANCIAL POSITION

| As at 31 December 2012<br>Million US dollar | AB InBev NV/SA | AB InBev Worldwide Inc | Subsidiary Guarantors | Non-Guarantors | Eliminations | Total |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| **Non-current assets** | | | | | | |
| Property, plant and equipment | 29 | — | 5 475 | 10 957 | — | 16 461 |
| Goodwill | — | — | 32 654 | 19 112 | — | 51 766 |
| Intangible assets | 405 | — | 21 663 | 2 303 | — | 24 371 |
| Investments in subsidiaries | 52 005 | 52 961 | 3 609 | (1 459) | (107 116) | — |
| Investments in associates | — | — | 56 | 7 034 | — | 7 090 |
| Other non-current assets | 817 | 365 | 33 479 | 5 689 | (38 047) | 2 303 |
| | **53 256** | **53 326** | **96 936** | **43 636** | **(145 163)** | **101 991** |
| **Current assets** | | | | | | |
| Inventories | — | — | 636 | 1 864 | — | 2 500 |
| Trade and other receivables | 925 | 1 257 | 2 470 | 5 318 | (5 947) | 4 023 |
| Cash and cash equivalents | 1 004 | 362 | 9 793 | 5 846 | (9 954) | 7 051 |
| Investment securities | 3 730 | 2 864 | — | 233 | — | 6 827 |
| Other current assets | — | 667 | (528) | 90 | — | 229 |
| | **5 659** | **5 150** | **12 371** | **13 351** | **(15 901)** | **20 630** |
| **Total assets** | **58 915** | **58 476** | **109 307** | **56 987** | **(161 064)** | **122 621** |
| **EQUITY AND LIABILITIES** | | | | | | |
| **Equity** | | | | | | |
| Equity attributable to equity holders of AB InBev | **41 142** | **15 619** | **74 844** | **16 654** | **(107 117)** | **41 142** |
| Minority interest | — | — | 10 | 4 289 | — | 4 299 |
| | **41 142** | **15 619** | **74 854** | **20 943** | **(107 117)** | **45 441** |
| **Non-current liabilities** | | | | | | |
| Interest-bearing loans and borrowings | 9 912 | 39 309 | 8 690 | 18 721 | (37 681) | 38 951 |
| Employee benefits | 7 | — | 2 281 | 1 411 | — | 3 699 |
| Deferred tax liabilities | — | — | 10 677 | 857 | (366) | 11 168 |
| Other non-current liabilities | 230 | — | 717 | 2 006 | 1 | 2 954 |
| | **10 149** | **39 309** | **22 365** | **22 995** | **(38 046)** | **56 772** |
| **Current liabilities** | | | | | | |
| Interest-bearing loans and borrowings | 2 157 | 3 081 | 2 761 | 1 004 | (3 613) | 5 390 |
| Trade and other payables | 877 | 467 | 4 286 | 11 000 | (2 335) | 14 295 |
| Other current liabilities | 4 590 | — | 5 041 | 1 045 | (9 953) | 723 |
| | **7 624** | **3 548** | **12 088** | **13 049** | **(15 901)** | **20 408** |
| **Total equity and liabilities** | **58 915** | **58 476** | **109 307** | **56 987** | **(161 064)** | **122 621** |

| As at 31 December 2011<br>Million US dollar | AB InBev NV/SA | AB InBev Worldwide Inc | Subsidiary Guarantors | Non-Guarantors | Eliminations | Total[1] |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| **Non-current assets** | | | | | | |
| Property, plant and equipment | 30 | — | 5 852 | 10 140 | — | 16 022 |
| Goodwill | — | — | 32 654 | 18 648 | — | 51 302 |
| Intangible assets | 388 | — | 21 590 | 1 840 | — | 23 818 |
| Investments in subsidiaries | 51 842 | 50 868 | 5 150 | 6 826 | (114 686) | — |
| Investments in associates | — | — | 51 | 6 645 | — | 6 696 |
| Other non-current assets | 107 | 317 | 32 755 | 5 256 | (36 169) | 2 266 |
| | **52 367** | **51 185** | **98 052** | **49 355** | **(150 855)** | **100 104** |
| **Current assets** | | | | | | |
| Inventories | — | — | 601 | 1 865 | — | 2 466 |
| Trade and other receivables | 2 241 | — | 5 084 | 6 271 | (9 475) | 4 121 |
| Cash and cash equivalents | 5 | 744 | 4 769 | 5 266 | (5 464) | 5 320 |
| Investment securities | — | — | — | 103 | — | 103 |
| Other current assets | — | 972 | — | 181 | (840) | 313 |
| | **2 246** | **1 716** | **10 454** | **13 686** | **(15 779)** | **12 323** |
| **Total assets** | **54 613** | **52 901** | **108 506** | **63 041** | **(166 634)** | **112 427** |
| **EQUITY AND LIABILITIES** | | | | | | |
| **Equity** | | | | | | |
| Equity attributable to equity holders of AB InBev | 37 492 | 13 782 | 74 279 | 26 627 | (114 688) | 37 492 |
| Minority interest | — | — | 10 | 3 542 | — | 3 552 |
| | **37 492** | **13 782** | **74 289** | **30 169** | **(114 688)** | **41 044** |
| **Non-current liabilities** | | | | | | |
| Interest-bearing loans and borrowings | 8 167 | 35 518 | 11 934 | 14 786 | (35 807) | 34 598 |
| Employee benefits | 4 | — | 2 150 | 1 286 | — | 3 440 |
| Deferred tax liabilities | — | — | 10 840 | 756 | (317) | 11 279 |
| Other non-current liabilities | 491 | — | 785 | 1 189 | (43) | 2 422 |
| | **8 662** | **35 518** | **25 709** | **18 017** | **(36 167)** | **51 739** |
| **Current liabilities** | | | | | | |
| Interest-bearing loans and borrowings | 2 486 | 3 169 | 3 611 | 4 099 | (7 806) | 5 559 |
| Trade and other payables | 787 | 432 | 4 037 | 9 750 | (1 669) | 13 337 |
| Other current liabilities | 5 186 | — | 860 | 1 006 | (6 304) | 748 |
| | **8 459** | **3 601** | **8 508** | **14 855** | **(15 779)** | **19 644** |
| **Total equity and liabilities** | **54 613** | **52 901** | **108 506** | **63 041** | **(166 634)** | **112 427** |

[1] Reclassified to conform to the 2012 presentation.

**CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS**

| For the year ended 31 December 2012<br>Million US dollar | AB InBev NV/SA | AB InBev Worldwide Inc | Subsidiary Guarantors | Non-Guarantors | Eliminations | Total |
|---|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | | |
| Profit | 7 243 | 1 382 | 3 515 | 7 154 | (9 860) | 9 434 |
| Depreciation, amortization and impairment | 76 | — | 752 | 1 919 | — | 2 747 |
| Net finance cost | 66 | 2 370 | (523) | 293 | — | 2 206 |
| Income tax expense | (200) | (722) | 1 322 | 1 317 | — | 1 717 |
| Investment income | (6 772) | (2 240) | (718) | (130) | 9 860 | — |
| Other items | 77 | — | 147 | (600) | — | (376) |
| **Cash flow from operating activities before changes in working capital and use of provisions** | **490** | **790** | **4 495** | **9 953** | **—** | **15 728** |
| Working capital and provisions | 623 | (283) | (653) | 788 | 3 | 478 |
| **Cash generated from operations** | **1 113** | **507** | **3 842** | **10 741** | **3** | **16 206** |
| Interest paid, net | (490) | (2 301) | 1 253 | (328) | — | (1 866) |
| Dividends received | 4 743 | 500 | 843 | 78 | (5 444) | 720 |
| Income tax paid | (3) | — | (786) | (1 003) | — | (1 792) |
| **CASH FLOW FROM OPERATING ACTIVITIES** | **5 363** | **(1 294)** | **5 152** | **9 488** | **(5 441)** | **13 268** |
| **INVESTING ACTIVITIES** | | | | | | |
| Acquisition and sale of subsidiaries, net of cash acquired/disposed of | — | (14) | (86) | (1 312) | — | (1 412) |
| Acquisition of property, plant and equipment and of intangible assets | (111) | — | (356) | (2 797) | — | (3 264) |
| Net proceeds from sale/(acquisition) of investment in short-term debt securities | (3 717) | (2 863) | — | (122) | — | (6 702) |
| Net proceeds/(acquisition) of other assets | — | — | 26 | (3) | — | 23 |
| Net repayments/(payments) of loans granted | 49 | — | (1 424) | 480 | 909 | 14 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | **(3 779)** | **(2 877)** | **(1 840)** | **(3 754)** | **909** | **(11 341)** |
| **FINANCING ACTIVITIES** | | | | | | |
| Intra-group capital reimbursements | 984 | 90 | 2 089 | (3 163) | — | — |
| Proceeds from borrowings | 10 129 | 7 501 | 3 418 | 5 151 | (7 736) | 18 463 |
| Payments on borrowings | (9 069) | (3 736) | (4 336) | (4 464) | 6 791 | (14 814) |
| Other financing activities | 607 | (67) | (623) | 228 | — | 145 |
| Dividends paid | (2 499) | — | (3 799) | (2 778) | 5 444 | (3 632) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | **152** | **3 788** | **(3 251)** | **(5 026)** | **4 499** | **162** |
| **Net increase/(decrease) in cash and cash equivalents** | **1 736** | **(383)** | **61** | **708** | **(33)** | **2 089** |
| Cash and cash equivalents less bank overdrafts at beginning of year | (5 159) | 745 | 4 767 | 4 959 | — | 5 312 |
| Effect of exchange rate fluctuations | (156) | — | (68) | (159) | 33 | (350) |
| **Cash and cash equivalents less bank overdrafts at end of year** | **(3 579)** | **362** | **4 760** | **5 508** | **—** | **7 051** |

| For the year ended 31 December 2011<br>Million US dollar | AB InBev NV/SA | AB InBev Worldwide Inc | Subsidiary Guarantors | Non-Guarantors | Eliminations | Total[1] |
|---|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | | |
| Profit | 5 855 | 1 714 | 4 422 | 9 122 | (13 154) | 7 959 |
| Depreciation, amortization and impairment | 77 | — | 801 | 1 905 | — | 2 783 |
| Net finance cost | 753 | 2 313 | (484) | 555 | — | 3 137 |
| Income tax expense | 6 | (1 116) | 1 504 | 1 462 | — | 1 856 |
| Investment income | (6 295) | (3 172) | (992) | (2 695) | 13 154 | — |
| Other items | 46 | — | 124 | (526) | — | (356) |
| **Cash flow from operating activities before changes in working capital and use of provisions** | **442** | **(261)** | **5 375** | **9 823** | **—** | **15 379** |
| Working capital and provisions | (573) | 693 | (34) | 588 | 25 | 699 |
| **Cash generated from operations** | **(131)** | **432** | **5 341** | **10 411** | **25** | **16 078** |
| Interest paid, net | (418) | (2 093) | 797 | (591) | 1 | (2 304) |
| Dividends received | 4 887 | 1 000 | 512 | 250 | (6 243) | 406 |
| Income tax paid | (5) | — | (680) | (1 009) | — | (1 694) |
| **CASH FLOW FROM OPERATING ACTIVITIES** | **4 333** | **(661)** | **5 970** | **9 061** | **(6 217)** | **12 486** |
| **INVESTING ACTIVITIES** | | | | | | |
| Acquisition and sale of subsidiaries, net of cash acquired/disposed of | 454 | (7) | (234) | (238) | — | (25) |
| Acquisition of property, plant and equipment and of intangible assets | (88) | — | (302) | (2 986) | — | (3 376) |
| Net proceeds from sale/(acquisition) of investment in short-term debt securities | — | — | — | 529 | — | 529 |
| Net proceeds/(acquisition) of other assets | 4 | — | 29 | 98 | — | 131 |
| Net repayments/(payments) of loans granted | (8 903) | — | (9 899) | (2 804) | 21 616 | 10 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | **(8 533)** | **(7)** | **(10 406)** | **(5 401)** | **21 616** | **(2 731)** |
| **FINANCING ACTIVITIES** | | | | | | |
| Intra-group capital reimbursements | 4 343 | (6 000) | (1 428) | 3 085 | — | — |
| Proceeds from borrowings | 11 686 | 9 986 | 17 794 | 9 237 | (31 412) | 17 291 |
| Payments on borrowings | (13 508) | (2 962) | (6 274) | (8 880) | 9 775 | (21 849) |
| Other financing activities | (56) | (181) | (968) | (145) | — | (1 350) |
| Dividends paid | (1 771) | — | (1 362) | (6 199) | 6 244 | (3 088) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | **694** | **843** | **7 762** | **(2 902)** | **(15 393)** | **(8 996)** |
| **Net increase/(decrease) in cash and cash equivalents** | **(3 506)** | **175** | **3 326** | **758** | **6** | **759** |
| Cash and cash equivalents less bank overdrafts at beginning of year | (2 127) | 570 | 1 562 | 4 492 | — | 4 497 |
| Effect of exchange rate fluctuations | 474 | — | (121) | (291) | (6) | 56 |
| **Cash and cash equivalents less bank overdrafts at end of year** | **(5 159)** | **745** | **4 767** | **4 959** | **—** | **5 312** |

[1] Reclassified to conform to the 2012 presentation.

| For the year ended 31 December 2010<br>Million US dollar | AB InBev NV/SA | AB InBev Worldwide Inc | Subsidiary Guarantors | Non-Guarantors | Eliminations | Total[1] |
|---|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | | |
| Profit | 4 026 | 1 462 | 2 738 | 5 941 | (8 405) | 5 762 |
| Depreciation, amortization and impairment | 72 | — | 861 | 1 855 | — | 2 788 |
| Net finance cost | (107) | 1 955 | 795 | 1 093 | — | 3 736 |
| Income tax expense | 116 | (887) | 1 501 | 1 190 | — | 1 920 |
| Investment income | (3 500) | (2 888) | (867) | (1 150) | 8 405 | — |
| Other items | 43 | — | 316 | (300) | — | 59 |
| **Cash flow from operating activities before changes in working capital and use of provisions** | **650** | **(358)** | **5 344** | **8 629** | **—** | **14 265** |
| Working capital and provisions | 64 | 855 | (998) | (183) | (31) | (293) |
| **Cash generated from operations** | **714** | **497** | **4 346** | **8 446** | **(31)** | **13 972** |
| Interest paid, net | (413) | (1 684) | 50 | (707) | (14) | (2 768) |
| Dividends received | 104 | 5 600 | 662 | 7 988 | (13 971) | 383 |
| Income tax paid | (3) | — | (826) | (853) | — | (1 682) |
| **CASH FLOW FROM OPERATING ACTIVITIES** | **402** | **4 413** | **4 232** | **14 874** | **(14 016)** | **9 905** |
| **INVESTING ACTIVITIES** | | | | | | |
| Acquisition of property, plant and equipment and of intangible assets | (68) | — | (210) | (2 066) | — | (2 344) |
| Net proceeds from sale/(acquisition) of investment in short-term debt securities | — | — | — | (604) | — | (604) |
| Net proceeds/(acquisition) of other assets | 328 | (15) | (148) | (312) | 533 | 386 |
| Net repayments/(payments) of loans granted | (10 168) | — | (17 776) | (1 490) | 29 450 | 16 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | **(9 908)** | **(15)** | **(18 134)** | **(4 472)** | **29 983** | **(2 546)** |
| **FINANCING ACTIVITIES** | | | | | | |
| Intra-group capital reimbursements | 11 536 | (5 921) | — | (5 615) | — | — |
| Proceeds from borrowings | 12 953 | 24 020 | 19 319 | 3 666 | (32 645) | 27 313 |
| Payments on borrowings | (12 444) | (17 760) | (1 172) | (3 217) | 2 990 | (31 603) |
| Other financing activities | 717 | (2) | (1 022) | 298 | (534) | (543) |
| Dividends paid | (788) | (5 079) | (5 719) | (4 300) | 13 962 | (1 924) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | **11 974** | **(4 742)** | **11 406** | **(9 168)** | **(16 227)** | **(6 757)** |
| **Net increase/(decrease) in cash and cash equivalents** | **2 468** | **(344)** | **(2 496)** | **1 234** | **(260)** | **602** |
| Cash and cash equivalents less bank overdrafts at beginning of year | (4 534) | 914 | 4 036 | 3 245 | — | 3 661 |
| Effect of exchange rate fluctuations | (61) | — | 22 | 13 | 260 | 234 |
| **Cash and cash equivalents less bank overdrafts at end of year** | **(2 127)** | **570** | **1 562** | **4 492** | **—** | **4 497** |

## 34. EVENTS AFTER THE BALANCE SHEET DATE

On 17 January 2013, Anheuser-Busch InBev Finance Inc., a subsidiary of AB InBev, issued 4.0 billion US dollar aggregated principal amount of bonds, consisting of 1.0 billion US dollar aggregated principal amount of fixed rate notes due 2016, 1.0 billion US dollar aggregated principal amount of fixed rate notes due 2018, 1.25 billion US dollar aggregated principal amount of fixed rate notes due 2023 and 0.75 billion US dollar aggregated principal amount of fixed rate notes due 2043. The notes will bear interest at an annual rate of 0.800% for the 2016 notes, 1.250% for the 2018 notes, 2.625% for the 2023 notes and 4.000% for the 2043 notes.

On 23 January 2013, AB InBev issued 500m euro aggregate principal amount of fixed rate notes due in 2033 and bearing interest at an annual rate of 3.250%.

On 25 January 2013, Anheuser-Busch InBev Finance Inc., a subsidiary of AB InBev, issued a private offering of notes in an aggregated principal amount of 1.2 billion Canadian dollar, consisting of 0.6 billion Canadian dollar aggregated principal amount of fixed rate notes due 2018 and 0.6 billion Canadian dollar aggregated principal amount of fixed rate notes due 2023. The notes will bear interest at an annual rate of 2.375% for the 2018 notes and 3.375% for the 2023 notes.

## GRUPO MODELO

On 29 June 2012, AB InBev and Grupo Modelo, S.A.B. de C.V. announced that they had entered into an agreement under which AB InBev will acquire the remaining stake in Grupo Modelo that it does not already own for 9.15 US dollar per share in cash in a transaction valued at 20.1 billion US dollar. The combination will be completed through a series of steps that will simplify Grupo Modelo's corporate structure, followed by an all-cash tender offer by AB InBev for all outstanding Grupo

[1] Reclassified to conform to the 2012 presentation.

Modelo shares that it will not own at that time. In a related transaction, it was announced on 29 June 2012 that Grupo Modelo would sell its existing 50% stake in Crown Imports, the joint venture that imports and markets Grupo Modelo's brands in the U.S., to Constellation Brands for 1.85 billion US dollar, giving Constellation Brands 100% ownership and control.

The transactions are subject to regulatory approvals in the U.S., Mexico and other countries and other customary closing conditions. On 20 July 2012, Grupo Modelo held a shareholders' meeting at which a majority of the shareholders approved amendments to Grupo Modelo's by-laws and other steps required in connection with the agreement under which AB InBev will acquire the remaining stake in Grupo Modelo.

On 31 January 2013, AB InBev announced that the U.S. Department of Justice (DOJ) filed an action seeking to block the proposed combination between AB InBev and Grupo Modelo.

On 14 February 2013, AB InBev and Constellation Brands, Inc. announced a revised agreement that establishes Crown Imports as the #3 producer and marketer of beer in the U.S. through a complete divestiture of Grupo Modelo's U.S. business. The transaction establishes Crown as a fully owned entity of Constellation, and provides Constellation with independent brewing operations, Modelo's full profit stream from all U.S. sales, and rights in perpetuity to the Grupo Modelo brands distributed by Crown in the U.S. As part of AB InBev's acquisition of the 50% of Grupo Modelo it does not already own, AB InBev has agreed to sell Compañía Cervecera de Coahuila, Grupo Modelo's state-of-the-art brewery in Piedras Negras, Mexico, and grant perpetual brand licenses to Constellation for 2.9 billion US dollar, subject to a post-closing adjustment. This price is based on an assumed 2012 EBITDA of 310m US dollar earned from manufacturing and licensing the Modelo brands for sale by the Crown joint venture, with an implied multiple of approximately 9 times. The sale of the brewery, which is located near the Texas border, would ensure independence of supply for Crown and provides Constellation with complete control of the production of the Modelo brands produced in Mexico and distributed by Crown in the U.S. AB InBev and Constellation Brands have also agreed to a three-year transition services agreement to ensure the smooth transition of the operation of the Piedras Negras brewery, which is fully self-sufficient, utilizes top-of-the-line technology and was built to be readily expanded to increase production capacity.

On 20 February 2013, AB InBev announced that it, Grupo Modelo, Constellation Brands and Crown Imports were engaged in discussions with the DOJ seeking to resolve the DOJ's litigation challenging AB InBev's proposed combination with Grupo Modelo. In connection with such discussions, the parties and the DOJ agreed to jointly approach the court to request a stay of all litigation proceedings until 19 March 2013, and the court approved the request for a stay of litigation on 22 February 2013. There can be no assurance that the discussions will be successful and the transactions remain conditioned on regulatory approvals in the U.S. and Mexico and other customary closing conditions.

## 35. AB INBEV COMPANIES

Listed below are the most important AB InBev companies. A complete list of the company's investments is available at AB InBev NV, Brouwerijplein 1, B-3000 Leuven, Belgium. The total number of companies consolidated (fully, proportional and equity method) is 352.

### LIST OF MOST IMPORTANT FULLY CONSOLIDATED COMPANIES

| NAME AND REGISTERED OFFICE OF FULLY CONSOLIDATED COMPANIES | % OF ECONOMIC INTEREST AS AT 31 DECEMBER 2012 |
|---|---|
| **ARGENTINA** | |
| CERVECERIA Y MALTERIA QUILMES SAICA y G - Charcas 5160 - Buenos Aires | 61.87 |
| **BELGIUM** | |
| AB INBEV NV – Grote Markt 1 - 1000 - Brussel | Consolidating Company |
| BRASSERIE DE L'ABBAYE DE LEFFE S.A. - Place de l'Abbaye 1 - 5500 - Dinant | 98.54 |
| BROUWERIJ VAN HOEGAARDEN N.V. - Stoopkensstraat 46 - 3320 - Hoegaarden | 100.00 |
| COBREW N.V. - Brouwerijplein 1 - 3000 - Leuven | 100.00 |
| INBEV BELGIUM N.V. - Industrielaan 21 - 1070 - Brussel | 100.00 |
| **BOLIVIA** | |
| CERVECERIA BOLIVIANA NACIONAL S.A. - Av. Montes 400 and Chuquisaca Street - La Paz | 61.87 |
| **BRAZIL** | |
| CIA DE BEBIDAS DAS AMERICAS - AMBEV BRASIL - Rua Dr. Renato Paes de Barros, 1017, 4° Andar (parte), cj. 44 e 42 - Itaim Bibi, Sao Paulo | 61.87 |
| **CANADA** | |
| LABATT BREWING COMPANY LIMITED - 207 Queen's Quay West, Suite 299 - M5J 1A7 - Toronto | 61.87 |
| **CHILE** | |
| CERVECERIA CHILE S.A. - Av. Presidente Eduardo Frei Montalva 9600 - Quilicura | 61.87 |
| **CHINA** | |
| ANHEUSER-BUSCH INBEV (WUHAN) BREWING COMPANY LIMITED - Shangshou, Qin Duan Kou, Hanyang Area, Wuhan, Hubei Province | 97.06 |
| ANHEUSER-BUSCH INBEV HARBIN BREWERY COMPANY LIMITED - 20 Youfang Street - Xiangfang District - Harbin, Heilongjiang Province | 100.00 |
| ANHEUSER-BUSCH INBEV (ZHOUSHAN) BREWERY Co., Ltd. - No.1 Linggang Yi Road, Linggang industrial area, Dinghai District - Zhou Shan | 100.00 |
| INBEV BAISHA (HUNAN) BREWERY CO LTD - No. 304 Shao Shan Zhong Lu - Changsha | 100.00 |
| INBEV DOUBLE DEER GROUP CO LTD - 419 Wu Tian Street - Wenzhou | 55.00 |
| INBEV JINLONGQUAN (HUBEI) BREWERY CO LTD - 89 Chang Ning Street - Jingmen | 60.00 |
| INBEV JINLONGQUAN (XIAOGAN) BREWERY CO LTD - No. 198 Chengzhan Street - Xiaogan | 60.00 |
| INBEV KK (NINGBO) BREWERY CO LTD - Jinjiang Zhen, 315000 - Ningbo | 100.00 |
| INBEV SEDRIN BREWERY Co, Ltd - No.2 factory Xialin Cun, Chen Xiang district, PuTian City, Fujian Province | 100.00 |
| ANHEUSER-BUSCH INBEV (TAIZHOU) BREWERY CO., LTD. - 159, Qi Xia Dong Road - Cheng Guan, Tiantai County | 100.00 |
| ANHEUSER-BUSCH INBEV (NINGBO) BREWERY CO., LTD. - JinJiang Zhen,- 315000 - Ningbo, Zhejiang Province | 100.00 |
| ANHEUSER-BUSCH INBEV (NANJING) BREWERY CO., LTD.- Qi Li Qiao, Jiang Pu district, - 211800- Nanjing | 100.00 |
| **DOMINICAN REPUBLIC** | |
| CERVECERIA NACIONAL DOMINICANA, esquina formada por la Autopista 30 de Mayo – Km. 6-1/2 y calle San Juan Bautista, Santo Domingo, Distrito Nacional | 32.19 |
| **ECUADOR** | |
| COMPAÑIA CERVECERA AMBEV ECUADOR S.A. - Av. Amazonas E4-69 y Av. Patria - Quito | 61.87 |
| **FRANCE** | |
| AB - INBEV FRANCE S.A.S. 38 Allée Vauban 59110 La Madeleine | 100.00 |

| | |
|---|---|
| **GERMANY** | |
| BRAUEREI BECK GmbH & CO. KG - Am Deich 18/19 - 28199 - Bremen | 100.00 |
| BRAUEREI DIEBELS GmbH & CO.KG - Brauerei-Diebels-Strasse 1 - 47661 - Issum | 100.00 |
| BRAUERGILDE HANNOVER AG - Hildesheimer Strasse 132 - 30173 - Hannover | 100.00 |
| HAAKE-BECK BRAUEREI GmbH & Co. KG - Am Deich 18/19 - 28199 - Bremen | 99.96 |
| HASSERÖDER BRAUEREI GmbH - Auerhahnring 1 - 38855 - Wernigerode | 100.00 |
| ANHEUSER-BUSCH INBEV GERMANY HOLDING GmbH - Am Deich 18/19 - 28199 - Bremen | 100.00 |
| SPATEN - FRANZISKANER - BRÄU GmbH - Marsstrasse 46 + 48 - 80335 - München | 100.00 |
| **GRAND DUCHY OF LUXEMBURG** | |
| BRASSERIE DE LUXEMBOURG MOUSEL - DIEKIRCH - 1, Rue de la Brasserie - L-9214 - Diekirch | 95.82 |
| **INDIA** | |
| CROWN BEERS INDIA LIMITED - #8-2-684/A, ROAD NO. 12 - BANJARA HILLS, HYDERABAD 500034 - ANDHRA PRADESH | 100.00 |
| **PARAGUAY** | |
| CERVECERIA PARAGUAYA S.A. - Ruta Villeta KM 30 - Ypané | 61.87 |
| **PERU** | |
| COMPANIA CERVECERA AMBEV PERU SAC - Av. Los Laureles Mz. A Lt. 4 del Centro Poblado Menor Santa Maria de s/n Huachipa - Lurigancho, Chosica City Lima 15 | 61.87 |
| **RUSSIA** | |
| OAO SUN INBEV - 28 Moscovskaya Street, Moscow region - 141600 - Klin | 99.95 |
| **THE NETHERLANDS** | |
| INBEV NEDERLAND N.V. - Ceresstraat 1 - 4811 CA - Breda | 100.00 |
| INTERBREW INTERNATIONAL B.V. - Ceresstraat 1 - 4811 CA - Breda | 100.00 |
| **UKRAINE** | |
| PJSC SUN InBev Ukraine - 30V Fizkultury St - 03680 - Kyiv | 98.29 |
| **US** | |
| ANHEUSER-BUSCH COMPANIES, LLC. - One Busch Place - St. Louis, MO 63118 | 100.00 |
| ANHEUSER-BUSCH INTERNATIONAL, INC. - One Busch Place - St. Louis, MO 63118 | 100.00 |
| ANHEUSER-BUSCH PACKAGING GROUP, INC. - 3636 S. Geyer Road - Sunset Hills, MO 63118 | 100.00 |
| **UNITED KINGDOM** | |
| BASS BEERS WORLDWIDE LIMITED - Porter Tun House, 500 Capability Green - LU1 3LS - Luton | 100.00 |
| INBEV UK LTD - Porter Tun House, 500 Capability Green - LU1 3LS - Luton | 100.00 |
| **URUGUAY** | |
| CERVECERIA Y MALTERIA PAYSSANDU S.A. - Rambla Baltasar Brum, 2933 - 11800 - Payssandu | 61.87 |

**LIST OF MOST IMPORTANT ASSOCIATED COMPANIES**

| NAME AND REGISTERED OFFICE OF ASSOCIATES | % OF ECONOMIC INTEREST AS AT 31 DECEMBER 2012 |
|---|---|
| **MEXICO** | |
| GRUPO MODELO S.A.B. de C.V. - Torre Acuario - Javier Barros Sierra No 555 - Piso 6 - Colonia Zedec Santa Fe - Delagacion Alvaro Obregon - 01210 México, D.F. | 50.34 |

**Exhibit 2.5**

ANHEUSER-BUSCH INBEV FINANCE INC.,
as *Company*

and

ANHEUSER-BUSCH INBEV NV/SA,
as *Parent Guarantor*

and

the SUBSIDIARY GUARANTORS party hereto from time to time

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as *Trustee*

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**Indenture**

*Dated as of January 17, 2013*

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**Certain Sections of this Indenture relating to Sections 310 through 318, inclusive, of the Trust Indenture Act of 1939:**

| Trust Indenture Act Section | | Indenture Section |
|---|---|---|
| Section 310 | (a)(1) | 609 |
| | (a)(2) | 609 |
| | (a)(3) | Not Applicable |
| | (a)(4) | Not Applicable |
| | (b) | 608<br>610 |
| Section 311 | (a) | 613 |
| | (b) | 613 |
| Section 312 | (a) | 701<br>702 |
| | (b) | 702 |
| | (c) | 702 |
| Section 313 | (a) | 703 |
| | (b) | 703 |
| | (c) | 703 |
| | (d) | 703 |
| Section 314 | (a) | 704 |
| | (a)(4) | 101<br>1004 |
| | (b) | Not Applicable |
| | (c)(1) | 102 |
| | (c)(2) | 102 |
| | (c)(3) | Not Applicable |
| | (d) | Not Applicable |
| | (e) | 102 |
| Section 315 | (a) | 601 |
| | (b) | 602 |
| | (c) | 601 |
| | (d) | 601 |
| | (e) | 514 |
| Section 316 | (a) | 101 |
| | (a)(1)(A) | 502<br>512 |
| | (a)(1)(B) | 513 |
| | (a)(2) | Not Applicable |
| | (b) | 508 |
| | (c) | 104 |
| Section 317 | (a)(1) | 503 |
| | (a)(2) | 504 |
| | (b) | 1003 |
| Section 318 | (a) | 107 |

NOTE: This reconciliation and tie shall not, for any purpose, be deemed to be a part of the Indenture.

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NOTE: This Table of Contents shall not, for any purpose, be deemed to be a part of the Indenture.

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DEFEASANCE AND COVENANT DEFEASANCE

INDENTURE, dated as of January 17, 2013, between Anheuser-Busch InBev Finance Inc., a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Company"), Anheuser-Busch InBev NV/SA, a *société anonyme* duly organized and existing under the laws of the Kingdom of Belgium (herein called the "Parent Guarantor"), the Subsidiaries of the Parent Guarantor party hereto from time to time, as Guarantors, and The Bank of New York Mellon Trust Company, N.A., a national banking association, as Trustee (herein called the "Trustee").

RECITALS OF THE COMPANY AND THE GUARANTORS

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its unsecured debentures, notes or other evidences of indebtedness (herein called the "Securities"), to be issued in one or more series as in this Indenture provided.

The Guarantors have duly authorized the execution and delivery of this Indenture to provide for the issuance of Guarantees with respect to the Securities.

All things necessary to make this Indenture a valid agreement of the Company and the Guarantors, in accordance with its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually agreed, for the equal and proportionate benefit of all Holders of the Securities or of series thereof, as follows:

## ARTICLE ONE

### DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 101. *Definitions.*

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(2) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles, as applied by the Parent Guarantor, and, except as otherwise herein expressly provided, the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted — at the date of this instrument — at the date of such computation in the jurisdiction of incorporation of the Parent Guarantor;

(4) unless the context otherwise requires, any reference to an "Article" or a "Section" refers to an Article or a Section, as the case may be, of this Indenture; and

(5) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

"2010 Senior Facility Agreement" means the $13 billion senior facilities agreement, dated as of February 26, 2010 as amended as of July 25, 2011 for the Parent Guarantor and Anheuser-Busch InBev Worldwide Inc., arranged by Banc of America Securities Limited, Banco Santander, S.A., Barclays Capital, Deutsche Bank AG, London Branch, Fortis Bank SA/NV, ING Bank NV, Intesa Sanpaolo S.p.A, J.P. Morgan plc, Mizuho Corporate Bank, Ltd, The Royal Bank of Scotland plc, Société Générale Corporate & Investment Banking, The Corporate and Investment Banking Division of Société Générale and The Bank of Tokyo-Mitsubishi UFJ, Ltd. as mandated lead arrangers and bookrunners, and Fortis Bank SA/NV, acting as agent and issuing bank.

"2012 Facilities Agreement" means the $14 billion facilities agreement, dated as of June 20, 2012 for the Parent Guarantor, Anheuser-Busch InBev Worldwide Inc. and Cobrew NV, arranged by Banc of America Securities Limited, Banco Santander, S.A., Barclays Bank PLC, Deutsche Bank AG, London Branch, Fortis Bank SA/NV, ING Belgium SA/NV, JPMorgan Chase Bank, N.A., Mizuho Corporate Bank, Ltd, RBS Securities Inc., Société Générale, London Branch and The Bank of Tokyo-Mitsubishi UFJ, Ltd. as mandated lead arrangers and bookrunners, and Fortis Bank SA/NV, acting as agent.

"Act", when used with respect to any Holder, has the meaning specified in Section 104.

"Additional Amounts" has the meaning specified in Section 1009.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Anheuser-Busch InBev Group" means the Parent Guarantor or the Parent Guarantor and the group of companies owned and/or controlled by the Parent Guarantor, as the context requires;

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Security, the rules and procedures of the Depositary with respect thereto that apply to such transfer or exchange.

"Authenticating Agent" means any Person authorized by the Trustee pursuant to Section 614 to act on behalf of the Trustee to authenticate Securities of one or more series.

"Board of Directors" means either the board of directors or other managing body of the Company or the Parent Guarantor, as applicable, or any duly authorized committee of that board or managing body.

"Board Resolution" means a copy of a resolution certified by the Secretary or any Assistant Secretary or other authorized officer or person, in the case of the Company, or a manager or other authorized officer or person, in the case of any Guarantor, to have been duly adopted by the Board of Directors of the Company or the applicable Guarantor, as applicable, and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Brandbev" means Brandbev S.à r.l., a *société à responsabilité limitée* incorporated under the laws of Luxembourg, with registered office at 5, Rue Gabriel Lippmann, L-5365 Münsbach, Luxembourg, registered with the Luxembourg Register of Commerce and Companies under the number B 80.984 and having a share capital of USD 30,020,720;

"Brandbev Guarantee" has the meaning specified in Section 209.

"BrandBrew" means BrandBrew S.A., a *société anonyme* with its registered address at 5, rue Gabriel Lippmann, L-5365 Luxembourg and registered with the Luxembourg register of commerce and companies under number B-75696; and

"BrandBrew Guarantee" has the meaning specified in Section 209.

"Business Day", when used with respect to any Place of Payment, means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in that Place of Payment are authorized or obligated by law or executive order to close.

"Certificated Security" means a certificated Security that evidences all or part of the Securities of any series and bears the legend set forth in Section 204 (or such legends as may be specified as contemplated by Section 301 of such Securities) and that is registered in the name of the Holder thereof.

"Clearstream" means Clearstream Banking, *société anonyme*, Luxembourg (or any successor securities clearing agency).

"Commission" means the Securities and Exchange Commission, from time to time constituted, created under the Exchange Act, or if at any time after the execution of this instrument such Commission is not existing and performing its duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"Company" means the Person named as the "Company" in the first paragraph of this instrument until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor Person.

"Company Request" or "Company Order" means a written request or order signed in the name of the Company by its President, Chairman of the Board, any Vice-President, Treasurer, Secretary, Assistant Secretary or other authorized officer and delivered to the Trustee.

"Corporate Trust Office" means the designated office of the Trustee at which at any particular time its corporate trust business shall be administered, which office at the date hereof is located at 911 Washington Avenue, 3rd Floor, St. Louis, Missouri 63101, Attention: Corporate Trust Administration, or such other address as the Trustee may designate from time to time by notice to the Holders and the Company, or the principal corporate trust office of any successor Trustee (or such other address as such successor Trustee may designate from time to time by notice to the Holders and the Company).

"Corporation" means a corporation, partnership, association, company, limited liability company, joint-stock company, business trust or other similar entity.

"Covenant Defeasance" has the meaning specified in Section 1303.

"Defaulted Interest" has the meaning specified in Section 307.

"Defeasance" has the meaning specified in Section 1302.

"Depositary" means, with respect to Securities of any series issuable in whole or in part in the form of one or more Global Securities, a clearing agency registered under the Exchange Act that is designated to act as Depositary for such Securities as contemplated by Section 301.

"Distribution Compliance Period" has the meaning specified in Section 305(b)(1)(A).

"Distributor" has the meaning specified in Section 305(b)(1)(A).

"DTC" means The Depository Trust Company, its nominees, successors and assigns.

"Encumbrance" means, any mortgage, pledge, security interest or lien.

"Euroclear" means the Euroclear Bank S.A./N.V. (or any successor securities clearing agency).

"Event of Default" has the meaning specified in Section 501.

"Exchange Act" means the Securities Exchange Act of 1934 and any statute successor thereto, in each case as amended from time to time.

"Expiration Date" has the meaning specified in Section 104.

"Global Security" means a Security that evidences all or part of the Securities of any series and bears the legend set forth in Section 204 (or such legend as may be specified as contemplated by Section 301 for such Securities).

"Guarantees" means the guarantees of the Parent Guarantor and any other Guarantor party hereto from time to time to be endorsed on the Securities authenticated and delivered hereunder.

"Guarantor" means the Parent Guarantor and any Subsidiary Guarantor under this Indenture from time to time.

"Holder" means a Person in whose name a Security is registered in the Security Register.

"Indenture" means this instrument as originally executed and as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, including, for all purposes of this instrument and any such supplemental indenture, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this instrument and any such supplemental indenture, respectively. The term "Indenture" shall also include the terms of particular series of Securities established as contemplated by Section 301.

"Indirect Participant" means a Person who holds a beneficial interest in a Global Security through a Participant.

"Interest", when used with respect to an Original Issue Discount Security which by its terms bears interest only after Maturity, means interest payable after Maturity.

"Interest Payment Date", when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

"Investment Company Act" means the Investment Company Act of 1940 and any statute successor thereto, in each case as amended from time to time.

"January 2009 Indenture" means the Indenture dated as of January 12, 2009, among Anheuser-Busch InBev Worldwide Inc., the Parent Guarantor, the subsidiary guarantors thereunder and The Bank of New York Mellon Trust Company, N.A. (formerly The Bank of New York Mellon, New York Branch) as trustee.

"Judgment Currency" has the meaning specified in Section 1012.

"Law of 2002" has the meaning specified in Section 209(a).

"Maturity", when used with respect to any Security, means the date on which the principal of such Security or an installment of principal becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

"Net Tangible Assets" means the total assets of the Parent Guarantor and its Restricted Subsidiaries (including, with respect to the Parent Guarantor, its net investment in subsidiaries other than Restricted Subsidiaries) after deducting therefrom (a) all current liabilities (excluding any thereof constituting debt by reason of being renewable or extendable) and (b) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense, organization and developmental expenses and other like segregated intangibles, all as computed by the Parent Guarantor in accordance with generally accepted accounting principles applied by the Parent Guarantor as of a date within 90 days of the date as of which the determination is being made; *provided* that any items constituting deferred income taxes, deferred investment tax credit or other similar items shall not be taken into account as a liability or as a deduction from or adjustment to total assets

"Notice of Default" means a written notice of the kind specified in Section 501(4) or 501(5).

"October 2009 Indenture" means the Indenture dated as of October 16, 2009, among Anheuser-Busch InBev Worldwide Inc., the Parent Guarantor, the subsidiary guarantors thereunder and The Bank of New York Mellon Trust Company, N.A. as trustee.

"Officer's Certificate" means a certificate signed by the Chairman of the Board of Directors, the President, any Vice-President, the Treasurer, a Secretary, an Assistant Secretary or any other authorized officer or person, in the case of the Company, and, in the case of any Guarantor, any manager or authorized officer or person, and delivered to the Trustee. One of the officers signing an Officer's Certificate given pursuant to Section 1004 shall, in the case of the Company, be the principal executive, financial or accounting officer.

"Opinion of Counsel" means a written opinion of counsel, who may be counsel for the Company or the applicable Guarantor, and who shall be reasonably acceptable to the Trustee.

"Original Issue Discount Security" means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502.

"Other Guaranteed Facilities" has the meaning specified in Section 209.

"Outstanding", when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, *except:*

(1) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(2) Securities for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company or a Guarantor) in trust or set aside and segregated in trust by the Company (if the Company or a Guarantor shall act as its own Paying Agent) for the Holders of such Securities; *provided* that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;

(3) Securities as to which Defeasance has been effected pursuant to Section 1302; and

(4) Securities which have been paid pursuant to Section 306 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company;

*provided*, *however*, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given, made or taken any request, demand, authorization, direction, notice, consent, waiver or other action hereunder as of any date, (A) the principal amount of an Original Issue Discount Security which shall be deemed to be Outstanding shall be the amount of the principal thereof which would be due and payable as of such date upon acceleration of the Maturity thereof to such date pursuant to Section 502; (B) if, as of such date, the principal amount payable at the Stated Maturity of a Security is not determinable, the principal amount of such Security which shall be deemed to be Outstanding shall be the amount as specified or determined as contemplated by Section 301; (C) the principal amount of a Security denominated in one or more foreign currencies or currency units which shall be deemed to be Outstanding shall be the U.S. dollar equivalent, determined as of such date in the manner provided as contemplated by Section 301, of the principal amount of such Security (or, in the case of a Security described in Clause (A) or (B) above, of the amount determined as provided in such Clause); and (D) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, waiver or other action, only Securities which the Trustee knows to be so owned

shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor.

"Parent Guarantor" has the meaning specified in the first paragraph of this Indenture, and any successor or permitted assign.

"Participant" means, with respect to any Depositary, a Person who is a participant of or has an account with such Depositary, respectively.

"Paying Agent" means any Person authorized by the Company or a Guarantor to pay the principal of or any premium or interest on any Securities on behalf of the Company or Guarantor.

"Person" means any individual, Corporation, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Place of Payment", when used with respect to the Securities of any series, means the place or places where the principal of and any premium and interest on the Securities of that series are payable as specified as contemplated by Section 301.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"Principal Plant" means (a) any brewery, or any manufacturing, processing or packaging plant, now owned or hereafter acquired by the Parent Guarantor or any Subsidiary, but shall not include (i) any brewery or manufacturing, processing or packaging plant which the Parent Guarantor shall by Board Resolution have determined is not of material importance to the total business conducted by the Parent Guarantor and its Subsidiaries, (ii) any plant which the Parent Guarantor shall by Board Resolution have determined is used primarily for transportation, marketing or warehousing (any such determination to be effective as of the date specified in the applicable Board Resolution) or (iii) at the option of the Parent Guarantor, any plant that (A) does not constitute part of the brewing operations of the Parent Guarantor and its Subsidiaries and (B) has a net book value, as reflected on the balance sheet contained in the Parent Guarantor's financial statements of not more than $100,000,000; and (b) any other facility owned by the Parent Guarantor or any of its Subsidiaries that the Parent Guarantor shall, by Board Resolution, designate as a Principal Plant.

"Redemption Date", when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price", when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

"Regular Record Date" for the interest payable on any Interest Payment Date on the Securities of any series means the date specified for that purpose as contemplated by Section 301.

"Restricted Certificated Security" means a Certificated Security offered and sold pursuant to an exemption from registration under the Securities Act.

"Restricted Global Security" means a Global Security offered and sold pursuant to an exemption from registration under the Securities Act.

"Restricted Subsidiary" means (a) any Subsidiary which owns or operates a Principal Plant, (b) any other subsidiary which the Parent Guarantor, by Board Resolution, shall elect to be treated as a Restricted Subsidiary, until such time as the Parent Guarantor may, by further Board Resolution, elect that such Subsidiary shall no longer be a Restricted Subsidiary, successive such elections being permitted without restriction, and (c) the Company and the Subsidiary Guarantors; *provided* that each of Companhia de Bebidas das Américas – AmBev and Grupo Model S.A.B. de C.V. shall not be "Restricted Subsidiaries" until and unless the Parent Guarantor owns, directly or indirectly, 100% of the equity interests in such company. Any such election will be effective as of the date specified in the applicable Board Resolution.

"Securities" has the meaning stated in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.

"Securities Act" means the Securities Act of 1933 and any statute successor thereto, in each case as amended from time to time.

"Security Register" and "Security Registrar" have the respective meanings specified in Section 305.

"Significant Subsidiary" means any Subsidiary (i) the consolidated revenue of which represents 10% of more of the consolidated revenue of the Parent Guarantor, (ii) the consolidated earnings before interest, taxes, depreciation and amortization ("EBITDA") of which represents 10% or more of the consolidated EBITDA of the Parent Guarantor, or (iii) the consolidated gross assets of which represent 10% or more of the consolidated gross assets of the Parent Guarantor, in each case as reflected in the most recent annual audited financial statements of the Parent Guarantor, *provided that* (A) in the case of a Subsidiary acquired by the Parent Guarantor during or after the financial year shown in the most recent annual audited financial statements of the Parent Guarantor such calculation shall be made on the basis of the contribution of the Subsidiary considered on a *pro forma* basis as if it had been acquired at the beginning of the relevant period, with the *pro forma* calculation (including any adjustments) being made by the Parent Guarantor acting in good faith, and (B) EBITDA shall be calculated by the Parent Guarantor in substantially the same manner as it is calculated for the amounts shown in the offering memorandum or circular for the relevant series of Securities.

"Special Record Date" for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 307.

"Stated Maturity", when used with respect to any Security or any installment of principal thereof or interest thereon, means the date specified in such Security as the fixed date on which the principal of such Security or such installment of principal or interest is due and payable.

"Subsidiary" means any corporation of which more than 50% of the issued and outstanding stock entitled to vote for the election of directors (otherwise than by reason of default in dividends) is at the time owned directly or indirectly by the Parent Guarantor or a Subsidiary or Subsidiaries or by the Parent Guarantor and a Subsidiary or Subsidiaries.

"Subsidiary Guarantor" shall initially include each of the following companies and shall subsequently include any Subsidiary of the Parent Guarantor that provides a Guarantee under this Indenture from time to time:

- Anheuser-Busch Companies, LLC, a limited liability company duly organized and existing under the laws of the State of Delaware;
- Anheuser-Busch InBev Worldwide Inc., a corporation duly organized and existing under the laws of the State of Delaware;
- Cobrew NV, a public limited liability company organized and existing under Belgian law;
- BrandBrew; and
- Brandbev.

"Trust Indenture Act" means the Trust Indenture Act of 1939, including the rules promulgated thereunder, as in force at the date as of which this instrument was executed; *provided, however,* that in the event the Trust Indenture Act of 1939 is amended after such date, "Trust Indenture Act" means, to the extent required by any such amendment, the Trust Indenture Act of 1939 as so amended and any statute successor thereto.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean or include each Person who is then a Trustee hereunder, and if at any time there is more than one such Person, "Trustee" as used with respect to the Securities of any series shall mean the Trustee with respect to Securities of that series.

"U.S. Government Obligation" has the meaning specified in Section 1304.

"Unrestricted Certificated Security" means a Certificated Security the restrictions on transfer of which have expired or otherwise been removed.

"Unrestricted Global Security" means a Global Security the restrictions on transfer of which have expired or otherwise been removed.

"Vice President", when used with respect to the Company or a Guarantor or the Trustee, means any vice president, whether or not designated by a number or a word or words added before or after the title "vice president".

SECTION 102. *Compliance Certificates and Opinions.*

Upon any application or request by the Company or the Parent Guarantor to the Trustee to take any action under any provision of this Indenture, the Company or the Parent Guarantor, as applicable, shall furnish to the Trustee such certificates and opinions as may be required under the Trust Indenture Act. Each such certificate or opinion shall be given in the form of an Officer's Certificate, if to be given by an officer of the Company or the Parent Guarantor, as applicable, or an Opinion of Counsel, if to be given by counsel, and shall comply with the requirements of the Trust Indenture Act and any other requirements set forth in this Indenture.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (except for certificates provided for in Section 1004) shall include:

(1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

SECTION 103. *Form of Documents Delivered to Trustee.*

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company or the Parent Guarantor, as applicable, may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or opinion of counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company or the Parent Guarantor, as applicable, stating that the information with respect to such factual matters is in the possession of the Company or the Parent Guarantor, as applicable, unless such counsel knows that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 104. *Acts of Holders; Record Dates.*

Any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Indenture to be given, made or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company or the Parent Guarantor. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 601) conclusive in favor of the Trustee, the Company or the Parent Guarantor, if made in the manner provided in this Section.

The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

The ownership of Securities shall be proved by the Security Register.

Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee, the Company or the Parent Guarantor in reliance thereon, whether or not notation of such action is made upon such Security.

The Company and the Parent Guarantor may set any day as a record date for the purpose of determining the Holders of Outstanding Securities of any series entitled to give, make or take any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Indenture to be given, made or taken by Holders of Securities of such series, *provided* that the Company and the Parent Guarantor may not set a record date for, and the provisions of this paragraph shall not apply with respect to, the giving or making of any notice, declaration, request or direction referred to in the next paragraph. If any record date is set pursuant to this paragraph, the Holders of Outstanding Securities of the relevant series on such record date, and no other Holders, shall be entitled to take the relevant action, whether or not such Holders remain Holders after such record date, *provided* that no such action shall be effective hereunder unless taken on or prior to the applicable Expiration Date by Holders of the requisite principal amount of Outstanding Securities of such series on such record date. Nothing in this paragraph shall be construed to prevent the Company or the Parent Guarantor from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record date previously set shall automatically and with no action by any Person be cancelled and of no effect), and nothing in this paragraph shall be construed to render ineffective any action taken by Holders of the requisite principal amount of Outstanding Securities of the relevant series on the date such action is taken. Promptly after any record date is set pursuant to this paragraph, the Company or the Parent Guarantor, at its own expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Trustee in writing and to each Holder of Securities of the relevant series in the manner set forth in Section 106.

The Trustee may set any day as a record date for the purpose of determining the Holders of Outstanding Securities of any series entitled to join in the giving or making of (i) any Notice of Default, (ii) any declaration of acceleration referred to in Section 502, (iii) any request to institute proceedings referred to in Section 507(2), or (iv) any direction referred to in Section 512, in each case with respect to Securities of such series. If any record date is set pursuant to this paragraph, the Holders of Outstanding Securities of such series on such record date, and no other Holders, shall be entitled to join in such notice, declaration, request or direction, whether or not such Holders remain Holders after such record date; *provided* that no such action shall be effective hereunder unless taken on or prior to the applicable Expiration Date by Holders of the requisite principal amount of Outstanding Securities of such series on such record date. Nothing in this paragraph shall be construed to prevent the Trustee from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record date previously set shall automatically and with no action by any Person be cancelled and of no effect), and nothing in this paragraph shall be construed to render ineffective any action taken by Holders of the requisite principal amount of Outstanding Securities of the relevant series on the date such action is taken. Promptly after any record date is set pursuant to this paragraph, the Trustee, at the Company's or the Parent Guarantor's expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Company and the Parent Guarantor in writing and to each Holder of Securities of the relevant series in the manner set forth in Section 106.

With respect to any record date set pursuant to this Section, the party hereto which sets such record dates may designate any day as the "Expiration Date" and from time to time may change the Expiration Date to any earlier or later day; *provided* that no such change shall be effective unless notice of the proposed new Expiration Date is given to the other party hereto in writing, and to each Holder of Securities of the relevant series in the manner set forth in Section 106, on or prior to the existing Expiration Date. If an Expiration Date is not designated with respect to any record date set pursuant to this Section, the party hereto which set such record date shall be deemed to have initially designated the 180th day after such record date as the Expiration Date with respect thereto, subject to its right to change the Expiration Date as provided in this paragraph. Notwithstanding the foregoing, no Expiration Date shall be later than the 180th day after the applicable record date.

Without limiting the foregoing, a Holder entitled hereunder to take any action hereunder with regard to any particular Security may do so with regard to all or any part of the principal amount of such Security or by one or more duly appointed agents each of which may do so pursuant to such appointment with regard to all or any part of such principal amount.

SECTION 105. *Notices, Etc., to Trustee, the Company and a Guarantor.*

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided for or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Holder or by the Company or a Guarantor shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office, 911 Washington Ave, 3rd Floor St. Louis, Missouri 63101, USA, Attention: Corporate Trust Administration, or

(2) the Company or a Guarantor by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Company and a Guarantor, as applicable, addressed to it at the address of its principal office specified in the first paragraph of this instrument or at any other address previously furnished in writing to the Trustee by the Company or a Guarantor.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that (a) the party providing such electronic instructions or directions, subsequent to the transmission thereof, shall provide the originally executed instructions or directions to the Trustee in a timely manner and (b) such originally executed instructions or directions shall be signed by an authorized representative of the party providing such instructions or directions. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions or directions notwithstanding such instructions or directions conflict or are inconsistent with a subsequent written instruction or direction or if the subsequent written instruction or direction is never received. The party providing instructions or directions by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, as

aforesaid, agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

SECTION 106. *Notice to Holders; Waiver.*

Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at his address as it appears in the Security Register, not later than the latest date (if any), and not earlier than the earliest date (if any), prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee in its sole discretion shall constitute a sufficient notification for every purpose hereunder.

The costs of any such notice to Holders as provided in this Section 106 shall be paid by the Company.

Any request, demand, authorization, direction, notice, consent or waiver required or permitted under this Indenture shall be in the English language, except that any published notice may be in an official language of the country of publication.

SECTION 107. *Conflict with Trust Indenture Act.*

If any provision hereof limits, qualifies or conflicts with a provision of the Trust Indenture Act that is required under the Trust Indenture Act to be a part of and govern this Indenture, the latter provision shall control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified or to be excluded, as the case may be.

SECTION 108. *Effect of Headings and Table of Contents.*

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 109. *Successors and Assigns.*

All covenants and agreements in this Indenture by the Company and any Guarantor shall bind their successors and assigns, whether so expressed or not.

SECTION 110. *Separability Clause.*

In case any provision in this Indenture, the Guarantees or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 111. *Benefits of Indenture.*

Nothing in this Indenture, in the Guarantees or in the Securities, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 112. *Governing Law; Waiver of Trial by Jury.*

This Indenture, the Guarantees and the Securities shall be governed by and construed in accordance with the laws of the State of New York. Each of the Company, the Guarantors and the Trustee hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Indenture, the Securities or the transactions contemplated hereby.

SECTION 113. *Legal Holidays.*

In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any Security shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture, of the Guarantees or of the Securities (other than a provision of any Security which specifically states that such provision shall apply in lieu of this Section)) payment of interest or principal (and premium, if any) need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment with the same force and effect as if made on the Interest Payment Date or Redemption Date, or at the Stated Maturity.

SECTION 114. *Submission to Jurisdiction; Waiver of Immunity.*

For the benefit of the Holders, each of the Company and each Guarantor hereby (i) irrevocably submits to the non-exclusive jurisdiction of any New York State court or United States federal court sitting in the Borough of Manhattan in the City of New York solely for purposes of any legal action or proceeding arising out of or relating to the Securities or the Guarantees and (ii) irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any legal action or proceeding in any New York State court or United States federal court sitting in the Borough of Manhattan in the City of New York, and any claim that any such action or proceedings brought in any such court has been brought in an inconvenient forum. Each of the Company and the Parent Guarantor agrees that a final judgment in any such legal action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

Any legal action or proceeding arising out of or relating to the Securities or the Guarantees may also be brought and enforced in the courts of the Kingdom of Belgium and each of the Company and each Guarantor irrevocably submits to the jurisdiction of each such court in respect of any such action or proceeding.

To the extent that the Company or any Guarantor may in any jurisdiction claim for itself or its assets immunity (to the extent that any immunity may now or hereafter exist) from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process (whether through service or notice or otherwise), and to the extent that in any such jurisdiction there may be attributed to itself or its assets such immunity (whether or not claimed), the Company and each Guarantor irrevocably agree not to claim, and irrevocably waive, such immunity to the full extent permitted by the laws of such jurisdiction.

SECTION 115. *Appointment of Agent for Service of Process.*

By the execution and delivery of this Indenture, each Guarantor (except for Anheuser-Busch Companies, LLC and Anheuser-Busch InBev Worldwide Inc.) hereby appoints Anheuser-Busch InBev Services, LLC as its agent upon which process may be served in any legal action or proceeding which may be instituted in any Federal or State court in the Borough of Manhattan, the City of New York, arising out of or relating to the Securities or the Guarantees or this Indenture, but for that purpose only. Service of process upon such agent at the office of Anheuser-Busch InBev Services, LLC at 250 Park Avenue, New York, New York 10177, and written notice of said service to such Guarantor by the Person servicing the same addressed as provided by Section 105, shall be deemed in every respect effective service of process upon such Guarantor, respectively, in any such legal action or proceeding, and such Guarantor hereby submits to the nonexclusive jurisdiction of any such court in which any such legal action or proceeding is so instituted. Such appointment shall be irrevocable so long as the Holders of Securities shall have any rights pursuant to the terms thereof or of this Indenture until the appointment of a successor by such Guarantor with the consent of the Trustee and such successor's acceptance of such appointment. Each such Guarantor further agrees to take any and all action, including the execution and filing of any and all such documents and instruments, as may be necessary to continue such designation and appointment of such agent or successor.

## ARTICLE TWO

## SECURITY AND GUARANTEE FORMS

SECTION 201. *Forms Generally.*

The Securities of each series shall be in substantially the form set forth in this Article, or in such other form as shall be established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or Depositary therefor or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution thereof. If the form of Securities of any series is established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by a the Secretary or Assistant Secretary or other authorized officer or person of the Company and delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 303 for the authentication and delivery of such Securities.

The Guarantees to be endorsed on the Securities of each series shall be in substantially the form set forth in this Article, or in such other form as shall be established by or pursuant to a Board Resolution of a Guarantor or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution of the Securities. If the form of the guarantees to be endorsed on the Securities of any series is established by action taken pursuant to a Board Resolution of a Guarantor, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary, or officer or person serving in a similar capacity, of the applicable Guarantor and delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 303 for the authentication and delivery of such Securities.

The definitive Securities shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

SECTION 202. *Form of Face of Security.*

**[***Insert any legend required by the Internal Revenue Code and the regulations thereunder.***]**

Anheuser-Busch InBev Finance Inc.

**[**Title of Security**]**

Payment of Principal**[**, Premium, if any,**]**
and Interest Irrevocably, Fully and Unconditionally Guaranteed by
Anheuser-Busch InBev NV/SA and Various Subsidiary Guarantors

No. • $_____

Anheuser-Busch InBev Finance Inc., a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Company", which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to , or registered assigns, on , the principal sum of Dollars **[***if the Security is to bear interest prior to Maturity, insert —* , and to pay interest thereon from or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on and in each year, commencing , at the rate of % per annum, until the principal hereof is paid or made available for payment **[***if applicable, insert —*; *provided* that any principal and premium, and any such installment of interest, which is overdue shall bear interest at the rate of % per annum (to the extent that the payment of such interest shall be legally enforceable), from the dates such amounts are due until they are paid or made available for payment, and such interest shall be payable on demand**]**.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the or (whether or not a Business Day), as the case may be, immediately preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture**]**.

**[***If the Security is not to bear interest prior to Maturity, insert* — The principal of this Security shall not bear interest except in the case of a default in payment of principal upon acceleration, upon redemption or at Stated Maturity, and in such case the overdue principal and any overdue premium shall bear interest at the rate of % per annum (to the extent that the payment of such interest shall be legally enforceable), from the dates such amounts are due until they are paid or made available for payment. Interest on any overdue principal or premium shall be payable on demand. **[**Any such interest on overdue principal or premium which is not paid on demand shall bear interest at the rate of % per annum (to the extent that the payment of such interest on interest shall be legally enforceable), from the date of such demand until the amount so demanded is paid or made available for payment. Interest on any overdue interest shall be payable on demand.**]**

Payment of the principal of (and premium, if any) and **[***if applicable, insert* — any such**]** interest on this Security will be made at the office or agency of the Company maintained for that purpose in , in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts **[***if applicable, insert* —; *provided*, *however*, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register**]**. Initially, the Paying Agent and Security Registrar for this Security will be The Bank of New York Mellon Trust Company, N.A., St. Louis, Missouri. The Company may change the Paying Agent or Security Registrar without prior notice to the Holders, and in such an event the Company may act as Paying Agent or Security Registrar. Payments of principal, premium, if any, and interest on this Security shall be made by wire transfer of immediately available funds; *provided*, *however*, that in the case of payments of principal and premium, if any, this Security is first surrendered to the Paying Agent.

Notwithstanding any provision of this Security or the Indenture, the Company may make any and all payments of principal, premium (if any) and interest on this Security pursuant to the applicable procedures of the Depositary for this Security as permitted in the Indenture.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed [*include only if required by applicable law:* under its corporate seal].

Dated:

_____

By_____

Attest:

_____

SECTION 203. *Form of Reverse of Security.*

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of January 17, 2013, (herein called the "Indenture", which term shall have the meaning assigned to it in such instrument), among the Company, Anheuser-Busch InBev NV/SA, as Parent Guarantor, the Subsidiary Guarantors party thereto from time to time and The Bank of New York Mellon Trust Company, N.A., as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Guarantors, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof **[***if applicable, insert —,* limited in aggregate principal amount to $ **]**.

**[***If applicable, insert* — The Securities of this series are subject to redemption upon not less than 30 days' notice by mail, **[***if applicable, insert* — (1) on in any year commencing with the year and ending with the year through operation of the sinking fund for this series at a Redemption Price equal to 100% of the principal amount, and (2)**]** at any time **[***if applicable, insert* — on or after , 20**]**, as a whole or in part, at the election of the Company, at the following Redemption Prices (expressed as percentages of the principal amount): If redeemed **[***if applicable, insert* — on or before , %, and if redeemed**]** during the 12-month period beginning of the years indicated,

| Year | Redemption Price | Year | Redemption Price |
|---|---|---|---|

and thereafter at a Redemption Price equal to % of the principal amount, together in the case of any such redemption **[***if applicable, insert* — (whether through operation of the sinking fund or otherwise)**]** with accrued interest to the Redemption Date, but interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.**]**

**[***If applicable, insert* — The Securities of this series are subject to redemption upon not less than 30 days' notice by mail, (1) on in any year commencing with the year and ending with the year through operation of the sinking fund for this series at the Redemption Prices for redemption through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below, and (2) at any time **[***if applicable, insert* — on or after **]**, as a whole or in part, at the election of the Company, at the Redemption Prices for redemption otherwise than through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below: If redeemed during the 12-month period beginning of the years indicated,

| Year | Redemption Price For Redemption Through Operation of the Sinking Fund | Redemption Price For Redemption Otherwise Than Through Operation of the Sinking Fund |
|---|---|---|

and thereafter at a Redemption Price equal to % of the principal amount, together in the case of any such redemption (whether through operation of the sinking fund or otherwise) with accrued interest to the Redemption Date, but interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.**]**

[*If applicable, insert* — Notwithstanding the foregoing, the Company may not, prior to , redeem any Securities of this series as contemplated by [*if applicable, insert* — Clause (2) of] the preceding paragraph as a part of, or in anticipation of, any refunding operation by the application, directly or indirectly, of moneys borrowed having an interest cost to the Company (calculated in accordance with generally accepted financial practice) of less than % per annum.]

**[***If applicable, insert* — The sinking fund for this series provides for the redemption on in each year beginning with the year and ending with the year of **[***if applicable, insert* — not less than $ ("mandatory sinking fund")

and not more than] $ aggregate principal amount of Securities of this series. Securities of this series acquired or redeemed by the Company otherwise than through [*if applicable, insert* — mandatory] sinking fund payments may be credited against subsequent [*if applicable, insert* — mandatory] sinking fund payments otherwise required to be made [*if applicable, insert* — , in the inverse order in which they become due].]

[*If the Security is subject to redemption of any kind, insert* — In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.]

[*If applicable, insert paragraph regarding subordination of the Security.*]

[*If applicable, insert* — The Indenture contains provisions for defeasance at any time of [the entire indebtedness of this Security] [or] [certain restrictive covenants and Events of Default with respect to this Security] [, in each case] upon compliance with certain conditions set forth in the Indenture.]

[*If the Security is not an Original Issue Discount Security, insert* — If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.]

[*If the Security is an Original Issue Discount Security, insert* — If an Event of Default with respect to Securities of this series shall occur and be continuing, an amount of principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture. Such amount shall be equal to — *insert formula for determining the amount*. Upon payment (i) of the amount of principal so declared due and payable and (ii) of interest on any overdue principal, premium and interest (in each case to the extent that the payment of such interest shall be legally enforceable), all of the Company's obligations in respect of the payment of the principal of and premium and interest, if any, on the Securities of this series shall terminate.]

**[***If applicable, add* – In the event that any Guarantor becomes obligated to make payments in respect of the Securities of this series, such Guarantor will make all payments in respect of the Securities of this series without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction at source by or on behalf of any jurisdiction in which such Guarantor is incorporated, organized, or otherwise tax resident or any political subdivision or any authority thereof or therein having power to tax (the "Relevant Taxing Jurisdiction") unless such withholding or deduction is required by law. In such event, such Guarantor will pay to the Holders of the Securities of this series such additional amounts (the "Additional Amounts") as shall be necessary in order that the net amounts received by such Holders, after such withholding or deduction, shall equal the respective amounts of principal and interest which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

(a) are payable by any person acting as custodian bank or collecting agent on behalf of such Holder, or otherwise in any manner which does not constitute a deduction or withholding by such Guarantor from payment of principal or interest made by it, or

(b) are payable by reason of such Holder or beneficial owner having, or having had, some personal or business connection with such Relevant Taxing Jurisdiction and not merely by reason of the fact that payments in respect of the Securities of this series or the Guarantees thereof are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in the Relevant Taxing Jurisdiction, or

(c) are imposed or withheld by reason of the failure of such Holder or beneficial owner to provide certification, information, documents or other evidence concerning the nationality, residence, or identity of the Holder and beneficial owner or to make any valid or timely declaration or similar claim or satisfy any other reporting requirements relating to such matters, whether required or imposed by statute, treaty, regulation or administrative practice, as a precondition to exemption from, or a reduction in the rate of withholding or deduction of such taxes, or

(d) consist of any estate, inheritance, gift, sales, excise, transfer, personal property or similar taxes, or

(e) are imposed on or with respect to any payment by the applicable Guarantor to the registered Holder of this Security if such Holder is a fiduciary or partnership or any person other than the sole beneficial owner of such payment to the extent that taxes would not have been imposed on such payment had such registered Holder been the sole beneficial owner of such Security, or

(f) are deducted or withheld pursuant to (i) any European Union directive or regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Relevant Taxing Jurisdiction or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such directive, regulation, treaty or understanding, or

(g) are payable by reason of a change in law or practice that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or is duly provided for and written notice thereof is provided to such Holders, whichever occurs later, or

(h) are payable because this Security was presented to a particular paying agent for payment if this Security could have been presented to another paying agent without any such withholding or deduction, or

(i) are payable for any combination of (a) through (h) above.

References to principal or interest in respect of the Securities of this series shall be deemed to include any Additional Amounts which may be payable as set forth in the Indenture.

The covenant regarding Additional Amounts will not apply to any Guarantor at any time when such Guarantor is incorporated in a jurisdiction in the United States, and will apply to the Company any time it is incorporated in a jurisdiction outside of the United States.]

In addition,] [A]ny amounts to be paid by the Company or any Guarantor on the Securities of this series will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code ("FATCA Withholding"). Neither any Guarantor nor the Company will be required to pay Additional Amounts on account of any FATCA Withholding.

**[***If applicable, add* – The Securities of this series may be redeemed at any time, at the Company's or the Parent Guarantor's option, as a whole, but not in part, upon not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 100% of the principal amount of the Securities of this series then outstanding plus accrued and unpaid interest on the principal amount being redeemed (and all Additional Amounts, if any) to (but excluding) the redemption date, if (i) any change in, or amendment to, the laws, treaties, regulations or rulings of a Relevant Taxing Jurisdiction (as defined below) or in the interpretation, application or administration of any such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) which becomes effective on or after the issue date (any such change or amendment, a "Change in Tax Law") would require the Company (or if a payment were then due under a Guarantee, the relevant Guarantor) to pay Additional Amounts and (ii) such obligation cannot be avoided by the Company (or the relevant Guarantor) taking reasonable measures available to it. Additional Amounts are payable by the Company under the circumstances described below under "—Additional Amounts"; provided, however, that the Securities of this series may not be redeemed to the extent such Additional Amounts arise solely as a result of the Company assigning its obligations under the Securities of this series to a Substitute Company, unless this assignment to a Substitute Company is undertaken as part of a plan of merger by the Parent Guarantor.**]**

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company or the Guarantors and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding affected thereby. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company and the Guarantors with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 25% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee indemnity and/or security, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity and/or security. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of $ and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Guarantors, the Trustee and any agent of the Company, the Guarantors or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Guarantors, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

SECTION 204. *Form of Legends for Securities.*

Unless otherwise specified as contemplated by Section 301 for the Securities evidenced thereby, every Security authenticated and delivered hereunder shall bear legends in substantially the following form:

[*If a Global Security:*]

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO ANHEUSER-BUSCH INBEV FINANCE INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

[*If a Security that is offered and sold pursuant to Rule 144A or Regulation S under the Securities Act:*]

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF (I) IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM SUCH REGISTRATION, (II) WITHIN THE UNITED STATES TO, OR FOR THE ACCOUNT OR BENEFIT OF, PERSONS OTHER THAN "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR (III) OUTSIDE THE UNITED STATES OTHER THAN TO PERSONS WHO ARE U.S. PERSONS IN OFFSHORE TRANSACTIONS IN ACCORDANCE WITH THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT. EACH PERSON ACQUIRING AN OWNERSHIP INTEREST IN THIS SECURITY (1) SHALL BE DEEMED TO REPRESENT AND WARRANT THAT IT EITHER (A) IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S) AND IS OUTSIDE THE UNITED STATES OR (C) IS ACQUIRING SUCH OWNERSHIP INTEREST PURSUANT TO A VALID REGISTRATION STATEMENT OR IN ANOTHER TRANSACTION EXEMPT FROM SUCH REGISTRATION; (2) AGREES THAT IT WILL NOT RESELL OR OTHERWISE

TRANSFER THIS SECURITY EXCEPT IN ACCORDANCE WITH THE FOREGOING RESTRICTIONS, AND IN ANY CASE IN COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION; (3) PRIOR TO SUCH TRANSFER, AGREES THAT IT WILL FURNISH TO THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS SECURITY REGISTRAR (OR A SUCCESSOR REGISTRAR, AS APPLICABLE), SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE SECURITY REGISTRAR AND THE COMPANY MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (4) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "UNITED STATES", "U.S. PERSON" AND "OFFSHORE TRANSACTION" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

[*For all Securities the offer and sale of which is not registered under the Securities Act:*]

THIS SECURITY AND ANY RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON RESALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED BY THE ACCEPTANCE OF THIS SECURITY TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

SECTION 205. *Form of Trustee's Certificate of Authentication.*

The Trustee's certificates of authentication shall be in substantially the following form:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
*As Trustee*

By_____
*Authorized Signatory*

SECTION 206. *Guarantee by Guarantors.*

Subject to this Indenture and unless provided otherwise with respect to a series of Securities under any Board Resolution or indenture supplement establishing the terms of such series of Securities, each Guarantor hereby jointly and severally, irrevocably, fully and unconditionally guarantees to the Trustee and the Holder of any Security issued under this Indenture duly authenticated and delivered by the Trustee, the due and punctual payment of the principal, and premium, if any, of (including any amount in

respect of original issue discount) and interest, if any (together with any Additional Amounts payable pursuant to the terms of such Security), on such Security and the due and punctual payment of the sinking fund payments, if any, and analogous obligations, if any, provided for pursuant to the terms of such Security, when and as the same shall become due and payable, whether at Stated Maturity or upon redemption, repayment or upon declaration of acceleration or otherwise according to the terms of such Security and of the Indenture. In case of default by the Company in the payment of any such principal (including any amount in respect of original issue discount), and any premium or interest (together with any Additional Amounts payable pursuant to the terms of such Security), sinking fund payment, or analogous obligation, each Guarantor agrees duly and punctually to pay the same when and as the same shall become due and payable. Each Guarantor hereby agrees that its obligations hereunder shall be as principal and not merely as surety and shall be absolute and unconditional irrespective of any extension of the time for payment of such Security, any modification of such Security, any invalidity, irregularity or unenforceability of such Security or the Indenture, any failure to enforce the same or any waiver, modification, consent or indulgence granted to the Company with respect thereto by the holder of such Security or the Trustee, or any other circumstances which may otherwise constitute a legal or equitable discharge of a surety or guarantor. Each Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Company, any right to require a demand or proceeding first against the Company, protest or notice with respect to such Security or the indebtedness evidenced thereby and all demands whatsoever, and covenants that this Guarantee will not be discharged as to such Security except by payment in full of the principal of (including any amount payable in respect of original issue discount), and any premium or interest (together with any Additional Amounts payable pursuant to the terms of such Security) thereon.

The Guarantee to be endorsed on the Securities shall, subject to Section 201 and Section 209, be in substantially the form set forth below:

**GUARANTEE**

For value received, the undersigned (herein called the “Guarantors”, and each, a “Guarantor” which terms include any successor Person or Persons under the Indenture referred to in the Security upon which this Guarantee is endorsed), hereby jointly and severally, irrevocably, fully and unconditionally guarantee to the Trustee and to each Holder of this Security, which has been authenticated and delivered by the Trustee, the due and punctual payment of the principal of (including any amount in respect of original issue discount), and any premium and interest (together with any Additional Amounts payable pursuant to the terms of this Security), on this Security and the due and punctual payment of the sinking fund payments, if any, and analogous obligations, if any, provided for pursuant to the terms of this Security, when and as the same shall become due and payable, whether at Stated Maturity or upon redemption or upon declaration of acceleration or otherwise according to the terms of this Security and of the Indenture. In case of default by the Company in the payment of any such principal (including any amount in respect of original issue discount), interest (together with any Additional Amounts payable pursuant to the terms of this Security), sinking fund payment, or analogous obligation, each Guarantor agrees

duly and punctually to pay the same. Each Guarantor hereby agrees that its obligations hereunder shall rank *pari passu* with all other unsecured and unsubordinated obligations of such Guarantor, shall be as principal and not merely as surety, and shall be absolute and unconditional irrespective of any extension of the time for payment of this Security, any modification of this Security, any invalidity, irregularity or unenforceability of this Security or the Indenture, any failure to enforce the same or any waiver, modification, consent or indulgence granted to the Company with respect thereto by the Holder of this Security or the Trustee, or any other circumstances which may otherwise constitute a legal or equitable discharge of a surety or guarantor. Each Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Company, any right to require a demand or proceeding first against the Company, protest or notice with respect to this Security or the indebtedness evidenced thereby and all demands whatsoever, and covenants that this Guarantee will not be discharged as to this Security except by payment in full of the principal of (including any amount payable in respect of original issue discount), and any premium and interest (together with any Additional Amounts payable pursuant to the terms of this Security), thereon.

Each Guarantor irrevocably waives any and all rights to which it may be entitled, by operation of law or otherwise, upon making any payment hereunder (i) to be subrogated to the rights of a Holder against the Company with respect to such payment or otherwise to be reimbursed, indemnified or exonerated by the Company in respect thereof or (ii) to receive any payment, in the nature of contribution or for any other reason, from any other obligor with respect to such payment.

This Guarantee shall not be valid or become obligatory for any purpose with respect to this Security until the certificate of authentication on this Security shall have been signed by the Trustee.

All terms used in this Guarantee which are not defined herein shall have the meaning assigned to them in the Security upon which this Guarantee is endorsed.

This Guarantee is subject to the release upon the terms set forth in the Indenture.

This Guarantee is subject to certain limitations and waivers set forth in the Indenture, as it may be supplemented from time to time.

This Guarantee is governed by and construed in accordance with the laws of the State of New York.

[GUARANTOR(S)]

By:_____

SECTION 207. *Additional Guarantees.*

The form and terms of any Guarantee by any subsequent Subsidiary Guarantor, including any applicable legal, regulatory or contractual restrictions, shall be specified in an indenture supplement hereto pursuant to Section 901(2) and may be changed for any such series of Securities as provided in the applicable indenture supplement.

SECTION 208. *Release of Guarantee.*

Any Guarantor other than the Parent Guarantor shall be entitled to terminate its Guarantee, and the Trustee shall execute a release and termination agreement effecting such termination, in the event that (i) at substantially the same time as its Guarantee of the Securities is terminated, the relevant Guarantor is, or has been, released from its guarantee of the 2010 Senior Facility Agreement and the 2012 Facilities Agreement, or is no longer a guarantor under both the 2010 Senior Facility Agreement and the 2012 Facilities Agreement and (ii) the aggregate amount of indebtedness for borrowed money for which the relevant Guarantor is an obligor (as a guarantor or borrower) does not exceed 10% of the consolidated gross assets of the Parent Guarantor as reflected in the balance sheet included in its most recent publicly released interim or annual consolidated financial statements. For purposes of this clause, the amount of a Guarantor's indebtedness for borrowed money shall not include (A) any Securities issued under this Indenture, the January 2009 Indenture or the October 2009 Indenture, (B) any other debt the terms of which permit the termination of the Guarantor's guarantee of such debt under similar circumstances, as long as such Guarantor's obligations in respect of such other debt are terminated at substantially the same time as its guarantee of the relevant series of Securities in respect of which its Guarantee is being terminated, and (C) any debt that is being refinanced at substantially the same time that the Guarantee of the relevant series of Securities in respect of which its Guarantee is being terminated, provided that any obligations of the Guarantor in respect of the debt that is incurred in the refinancing shall be included the calculation of the Guarantor's indebtedness for borrowed money.

Any Subsidiary Guarantor with limitations on its Guarantee pursuant to Section 209 shall be entitled to terminate its Guarantee, and the Trustee shall execute a release and termination agreement effecting such termination, with respect to any or all series of Securities issued under this Indenture, in the event that such Subsidiary Guarantor determines that under the rules, regulations or interpretations of the Commission such Subsidiary Guarantor would be required to include its financial statements in any registration statement filed with the Commission with respect to Securities or Guarantees issued hereunder or in periodic reports filed with or furnished to the Commission (by reason of such limitations or otherwise).

Any Guarantor other than the Parent Guarantor shall be entitled to terminate its Guarantee, and the Trustee shall execute a release and termination agreement effecting such termination, in the event the Guarantor is no longer a Subsidiary of the Parent Guarantor or disposes of all or substantially all of its assets to a Person who is not a Subsidiary of the Parent Guarantor.

SECTION 209. *Limitations on Guarantees.*

Further, certain of the Guarantees are subject to legal, regulatory or contractual limitations, as specified below or as may be provided in an indenture supplemental hereto by which a Subsidiary Guarantor may accede to this Indenture. Each such Subsidiary Guarantor shall be entitled to amend or modify by execution of an indenture supplemental hereto the terms of its Guarantee or the limitations applicable to its Guarantee, as set forth in this Section 209, in any respect reasonably deemed necessary by such Subsidiary Guarantor to meet the requirements of Rule 3-10 under Regulation S-X under the Securities Act (or any successor or similar regulation or exemption) in order for financial statements of such Subsidiary Guarantor not to be required to be included in any registration statement or in periodic reports filed with or furnished to the Commission.

(a) In respect of the Guarantee provided by BrandBrew (the "*BrandBrew Guarantee*"):

(1) notwithstanding anything to the contrary in the BrandBrew Guarantee, the maximum aggregate liability of BrandBrew under such BrandBrew Guarantee (including any actual or contingent liabilities as a guarantor under the Other Guaranteed Facilities) shall not exceed an amount equal to the aggregate of (without double counting):

(A) the aggregate amount of all moneys received by BrandBrew and its Subsidiaries as a borrower or issuer under the Other Guaranteed Facilities;

(B) the aggregate amount of all outstanding intercompany loans made to BrandBrew and its Subsidiaries by other members of the Anheuser-Busch InBev Group which have been directly or indirectly funded using the proceeds of borrowings under this Indenture or the Other Guaranteed Facilities; and

(C) an amount equal to 100% of the greater of:

(i) the sum of BrandBrew's own capital (*capitaux propres*) and its subordinated debt (*dettes subordonnées*) (other than any subordinated debt already accounted for under sub-paragraph (B) above) (both as referred to in article 34 of the Luxembourg Law of 2002) as reflected in BrandBrew's then most recent annual accounts approved by the competent organ of BrandBrew (as audited by its external auditor (*réviseur d'entreprises*), if required by law) at the date an enforcement is made under the BrandBrew Guarantee; and

(ii) the sum of BrandBrew's own capital (*capitaux propres*) and its subordinated debt (*dettes subordonnées*) (other than any subordinated debt already accounted for under sub-paragraph (B) above) (both as referred to in article 34 of the Luxembourg Law of 2002) as reflected in its most recent annual accounts as of the date of this Indenture;

(2) for the avoidance of doubt, the limitation referred to in paragraph (1) above shall not apply to the guarantee by BrandBrew of any obligations owed by its Subsidiaries under any Other Guaranteed Facilities;

(3) in addition to the limitation referred to in paragraph (1) above, the obligations and liabilities of BrandBrew under this Indenture or under any Other Guaranteed Facilities shall not include any obligation which, if incurred, would constitute a breach of the provisions on financial assistance as defined by article 49-6 of the Luxembourg Law on Commercial Companies dated 10 August 1915, as amended, to the extent such or an equivalent provision is applicable to BrandBrew.

(4) BrandBrew hereby expressly accepts and confirms, for the purposes of article 1281 of the Luxembourg civil code, that notwithstanding any assignment, transfer and/or novation permitted under, and made in accordance with the provisions of this Indenture, the BrandBrew Guarantee shall be preserved for the benefit of any new Holder and BrandBrew hereby accepts and confirms the aforementioned.

(b) In respect of the Guarantee provided by Brandbev (the "*Brandbev Guarantee*"):

(1) notwithstanding anything to the contrary in the Brandbev Guarantee, the maximum aggregate liability of Brandbev under such Brandbev Guarantee (including any actual or contingent liabilities as a guarantor under the Other Guaranteed Facilities) shall not exceed an amount equal to the aggregate of (without double counting):

(A) the aggregate amount of all moneys received by Brandbev and its Subsidiaries as a borrower or issuer under the Other Guaranteed Facilities;

(B) the aggregate amount of all outstanding intercompany loans made to Brandbev and its Subsidiaries by other members of the Anheuser-Busch InBev Group which have been directly or indirectly funded using the proceeds of borrowings under this Indenture or the Other Guaranteed Facilities; and

(C) an amount equal to 100% of the greater of:

(i) the sum of Brandbev's own capital (*capitaux propres*) and its subordinated debt (*dettes subordonnées*) (other than any subordinated debt already accounted for under sub-paragraph (B) above) (both as referred to in article 34 of the Luxembourg Law of 2002) as reflected in Brandbev's then most recent annual accounts approved by the competent organ of Brandbev (as audited by its external auditor (*réviseur d'entreprises*), if required by law) at the date an enforcement is made under the Brandbev Guarantee; and

(ii) the sum of Brandbev's own capital (*capitaux propres*) and its subordinated debt (*dettes subordonnées*) (other than any subordinated debt already accounted for under sub-paragraph (B) above) (both as referred to in article 34 of the Luxembourg Law of 2002) as reflected in its most recent annual accounts as of the date of this Indenture;

(2) for the avoidance of doubt, the limitation referred to in paragraph (1) above shall not apply to the guarantee by Brandbev of any obligations owed by its Subsidiaries under any Other Guaranteed Facilities;

(3) Brandbev hereby expressly accepts and confirms, for the purposes of article 1281 of the Luxembourg civil code, that notwithstanding any assignment, transfer and/or novation permitted under, and made in accordance with the provisions of this Indenture, the Brandbev Guarantee shall be preserved for the benefit of any new Holder and Brandbev hereby accepts and confirms the aforementioned.

(c) For the purpose of this Section 209, "*Other Guaranteed Facilities*" means the:

(1) the 2010 Senior Facility Agreement, to be acceded to by Brandbev as a guarantor thereto on or around the date of this Indenture;

(2) the 2012 Facilities Agreement, to be acceded to by Brandbev as a guarantor thereto on or around the date of this Indenture;

(3) any debt securities guaranteed pursuant to the guarantee dated 18 November 2008 entered into by the Parent Guarantor (formerly InBev NV) and Anheuser-Busch Worldwide Inc. (formerly InBev Worldwide S.à r.l.) and to be acceded to by Brandbev as a guarantor thereto on or around the date of this Indenture;

(4) the US$850,000,000 note purchase and guarantee agreement dated 22 October 2003 between, amongst others, the Parent Guarantor as issuer, Cobrew NV and BrandBrew and to be acceded to by Brandbev as a guarantor thereto on or around the date of this Indenture;

(5) any debt securities issued or guaranteed by BrandBrew or the Parent Guarantor under the €15,000,000,000 Euro Medium Term Note Programme entered into on 16 January 2009 and to be acceded to by Brandbev as a guarantor thereto on or around the date of this Indenture;

(6) any debt securities guaranteed by BrandBrew under the January 2009 Indenture, to be acceded to by Brandbev as a guarantor thereto on or around the date of this Indenture;

(7) any debt securities guaranteed by BrandBrew under the October 2009 Indenture, to be acceded to by Brandbev as a guarantor thereto on or around the date of this Indenture;

(8) any debt securities guaranteed by BrandBrew under the U.S. Commercial Paper Program of short-term notes due up to a maximum of 364 days from the date of issue issued by Anheuser-Busch InBev Worldwide Inc. pursuant to dealer agreements, an issuing and paying agency agreement, the master note, guarantees and private placement memoranda, each dated on or around June 6, 2011;

(9) any debt securities to be guaranteed by BrandBrew and Brandbev pursuant to the U.S. Commercial Paper Program to be entered into by the Company, the Parent Guarantor, BrandBrew, Brandbev and the other subsidiary guarantors listed therein on or prior to March 31, 2013; and

(10) any refinancing (in whole or part) of any of the above items or the Base Indenture for the same or a lower amount.

SECTION 210. *CUSIP Numbers.*

The Company in issuing any series of the Securities may use CUSIP numbers, if then generally in use, and thereafter with respect to such series, the Trustee may use such numbers in any notice of redemption or exchange with respect to such series provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption or exchange and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Trustee in writing of any change in the CUSIP numbers.

## ARTICLE THREE

### THE SECURITIES

SECTION 301. *Amount Unlimited; Issuable in Series.*

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. There shall be established in or pursuant to a Board Resolution and, subject to Section 303, set forth, or determined in the manner provided, in an Officer's Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series,

(1) the title of the Securities of the series (which shall distinguish the Securities of the series from Securities of any other series);

(2) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 304, 305, 306, 906 or 1107 and except for any Securities which, pursuant to Section 303, are deemed never to have been authenticated and delivered hereunder);

(3) the Person to whom any interest on a Security of the series shall be payable, if other than the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest;

(4) the date or dates on which the principal of any Securities of the series is payable;

(5) the rate or rates at which any Securities of the series shall bear interest, if any, the date or dates from which any such interest shall accrue, the Interest Payment Dates on which any such interest shall be payable, and the Regular Record Date for any such interest payable on any Interest Payment Date;

(6) the place or places where the principal of and any premium and interest on any Securities of the series shall be payable;

(7) the period or periods within which, the price or prices at which and the terms and conditions upon which any Securities of the series may be redeemed, in whole or in part, at the option of the Company and, if other than by a Board Resolution, the manner in which any election by the Company to redeem the Securities shall be evidenced;

(8) the obligation, if any, of the Company to redeem or purchase any Securities of the series pursuant to any sinking fund or analogous provisions or at the option of the Holder thereof and the period or periods within which, the price or prices at which and the terms and conditions upon which any Securities of the series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

(9) if other than denominations of $1,000 and any integral multiple thereof, the denominations in which any Securities of the series shall be issuable;

(10) if the amount of principal of or any premium or interest on any Securities of the series may be determined with reference to an index or pursuant to a formula, the manner in which such amounts shall be determined;

(11) if other than the currency of the United States of America, the currency, currencies or currency units in which the principal of or any premium or interest on any Securities of the series shall be payable and the manner of determining the equivalent thereof in the currency of the United States of America for any purpose, including for purposes of the definition of "Outstanding" in Section 101;

(12) if the principal of or any premium or interest on any Securities of the series is to be payable, at the election of the Company or the Holder thereof, in one or more currencies or currency units other than that or those in which such Securities are stated to be payable, the currency, currencies or currency units in which the principal of or any premium or interest on such Securities as to which such election is made shall be payable, the periods within which and the terms and conditions upon which such election is to be made and the amount so payable (or the manner in which such amount shall be determined);

(13) if other than the entire principal amount thereof, the portion of the principal amount of any Securities of the series which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 502;

(14) if the principal amount payable at the Stated Maturity of any Securities of the series will not be determinable as of any one or more dates prior to the Stated Maturity, the amount which shall be deemed to be the principal amount of such Securities as of any such date for any purpose thereunder or hereunder, including the principal amount thereof which shall be due and payable upon any Maturity other than the Stated Maturity or which shall be deemed to be Outstanding as of any date prior to the Stated Maturity (or, in any such case, the manner in which such amount deemed to be the principal amount shall be determined);

(15) if applicable, that the Securities of the series, in whole or any specified part, shall be defeasible pursuant to Section 1302 or Section 1303 or both such Sections and, if other than by a Board Resolution, the manner in which any election by the Company to defease such Securities shall be evidenced;

(16) if applicable, that any Securities of the series shall be issuable in whole or in part in the form of one or more Global Securities and, in such case, the respective Depositaries for such Global Securities, the form of any legend or legends which shall be borne by any such Global Security in addition to or in lieu of that set forth in Section 204 and any circumstances in addition to or in lieu of those set forth in Clause (2) of the last paragraph of Section 305 in which any such Global Security may be exchanged in whole or in part for Securities registered, and any transfer of such Global Security in whole or in part may be registered, in the name or names of Persons other than the Depositary for such Global Security or a nominee thereof;

(17) any addition to or change in the Events of Default which applies to any Securities of the series and any change in the right of the Trustee or the requisite Holders of such Securities to declare the principal amount thereof due and payable pursuant to Section 502;

(18) any addition to or change in the covenants set forth in Article Ten which applies to Securities of the series; and

(19) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture, except as permitted by Section 901(5)).

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to the Board Resolution referred to above and (subject to Section 303) set forth, or determined in the manner provided, in the Officer's Certificate referred to above or in any such indenture supplemental hereto.

If any of the terms of the series are established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary or other authorized officer or person of the Company and delivered to the Trustee at or prior to the delivery of the Officer's Certificate setting forth the terms of the series.

All Securities of any one series need not be issued at the same time and, unless otherwise so provided by the Company, a series may be reopened for issuances of additional Securities of such series with identical terms and conditions (other than the issue date, issue price and, if applicable, initial interest accrual date and first Interest Payment Date).

SECTION 302. *Denominations.*

The Securities of each series shall be issuable only in registered form without coupons and only in such denominations as shall be specified as contemplated by Section 301. In the absence of any such specified denomination with respect to the Securities of any series, the Securities of such series shall be issuable in denominations of $2,000 and integral multiples of $1,000 in excess thereof.

SECTION 303. *Execution, Authentication, Delivery and Dating.*

The Securities shall be executed on behalf of the Company by its Chairman of the Board, its President, one of its Vice Presidents or any other person authorized by its Board of Directors to execute Securities, and the Guarantees shall be executed on behalf of the applicable Guarantor by an authorized officer or person, in each case under such entity's corporate seal if required by applicable law, reproduced thereon. The signature of any of these officers or persons on the Securities or Guarantees may be manual or facsimile.

Securities or Guarantees bearing the manual or facsimile signatures of individuals who were at any time the proper officers or authorized representatives of the Company or a Guarantor, as applicable, shall bind the Company and the applicable Guarantor, as applicable, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series executed by the Company and, if applicable, endorsed with the Guarantees of the Guarantors, to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities, and the Trustee in accordance with the Company Order shall authenticate and deliver such Securities with the Guarantees endorsed thereon. If the form or terms of the Securities of the series have been established by or pursuant to one or more Board Resolutions as permitted by Sections 201 and 301, in authenticating such Securities and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel stating,

(1) if the form of such Securities has been established by or pursuant to Board Resolution as permitted by Section 201, that such form has been established in conformity with the provisions of this Indenture;

(2) if the terms of such Securities have been established by or pursuant to Board Resolution as permitted by Section 301, that such terms have been established in conformity with the provisions of this Indenture;

(3) that such Securities have been duly executed and, when authenticated and delivered by the Trustee and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Company enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; and

(4) that such Guarantees have been duly executed and, when the Securities on which they shall have been endorsed shall have been authenticated and delivered by the Trustee and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of each Guarantor thereof enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

If such form or terms have been so established, the Trustee shall not be required to authenticate such Securities if the issue of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Notwithstanding the provisions of Section 301 and of the preceding paragraph, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Officer's Certificate otherwise required pursuant to Section 301 or the Company Order and Opinion of Counsel otherwise required pursuant to such preceding paragraph at or prior to the authentication of each Security of such series if such documents are delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued.

Each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Security to the Trustee for cancellation as provided in Section 309, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

The delivery of any Security by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of the Guarantee endorsed thereon on behalf of the Guarantors; *provided*, *however*, that a Guarantee shall not be deemed delivered if

pursuant to Section 301 the Security is originally issued without a Guarantee; if the Guarantee is thereafter attached pursuant to an order of a Guarantor, then after authentication of the Guarantee, the Guarantee shall be deemed delivered. The Trustee, in accordance with the Company Order and order of the applicable Guarantor, shall authenticate the Guarantee and deliver such Securities.

SECTION 304. *Temporary Securities.*

Pending the preparation of definitive Securities of any series, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities having endorsed thereon the Guarantees duly executed by the Guarantors, which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities.

If temporary Securities of any series are issued, the Company will cause definitive Securities, having endorsed thereon Guarantees duly executed by the Guarantors of that series, to be prepared without unreasonable delay. After the preparation of definitive Securities of such series, the temporary Securities of such series shall be exchangeable for definitive Securities of such series, having endorsed thereon the Guarantees duly executed by the Guarantors, upon surrender of the temporary Securities of such series at the office or agency of the Company in a Place of Payment for that series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor one or more definitive Securities of the same series, having endorsed thereon the Guarantees duly executed by the Guarantors, of any authorized denominations and of like tenor and aggregate principal amount. Until so exchanged, the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of such series and tenor.

SECTION 305. *Registration, Registration of Transfer and Exchange.*

(a) *Registration, Restriction of Transfer and Exchange, Generally*. The Company shall cause to be kept at the Corporate Trust Office of the Trustee a register (the register maintained in such office or in any other office or agency of the Company in a Place of Payment being herein sometimes referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee is hereby appointed "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided.

Upon surrender for registration of transfer of any Security of a series at the office or agency of the Company in a Place of Payment for that series, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same series, having endorsed thereon the Guarantees duly executed by the Guarantors, of any authorized denominations and of like tenor and aggregate principal amount.

Subject to this Section 305(a) and Section 305(b), at the option of the Holder, Securities of any series may be exchanged for other Securities of the same series, having endorsed thereon the Guarantees duly executed by the Guarantors, of any authorized denominations and of like tenor and aggregate principal amount, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

All Securities and the Guarantees endorsed thereon issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company and the Guarantors, as applicable, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company, the Parent Guarantor and the Security Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 906 or 1107 not involving any transfer.

If the Securities of any series (or of any series and specified tenor) are to be redeemed in part, the Company shall not be required (A) to issue, register the transfer of or exchange any Securities of that series (or of that series and specified tenor, as the case may be) during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of any such Securities selected for redemption under Section 1103 and ending at the close of business on the day of such mailing, or (B) to register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

The provisions of Clauses (1), (2), (3) and (4) below shall apply only to Global Securities:

(1) Each Global Security authenticated under this Indenture shall be registered in the name of the Depositary designated for such Global Security or a nominee thereof and delivered to such Depositary or a nominee thereof or custodian therefor, and each such Global Security shall constitute a single Security for all purposes of this Indenture.

(2) Notwithstanding any other provision in this Indenture, no Global Security may be exchanged in whole or in part for Securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any Person other than the Depositary for such Global Security or a nominee thereof unless (A) such Depositary (i) has notified the Company that it is unwilling or unable to continue as Depositary for such Global Security or (ii) has ceased to be a clearing agency registered under the Exchange Act, (B) there shall

have occurred and be continuing an Event of Default with respect to such Global Security, or (C) there shall exist such circumstances, if any, in addition to or in lieu of the foregoing as have been specified for this purpose as contemplated by Section 301.

(3) Subject to Clause (2) above, any exchange of a Global Security for other Securities may be made in whole or in part, and all Securities issued in exchange for a Global Security or any portion thereof shall be registered in such names as the Depositary for such Global Security shall direct.

(4) Every Security authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, a Global Security or any portion thereof, whether pursuant to this Section, Section 304, 306, 906 or 1107 or otherwise, shall be authenticated and delivered in the form of, and shall be, a Global Security, unless such Security is registered in the name of a Person other than the Depositary for such Global Security or a nominee thereof.

(b) *Certain Transfers and Exchanges*. Notwithstanding any other provision of this Indenture or the Securities, transfers and exchanges of Securities and beneficial interests in a Global Security of the kinds specified in this Section 305(b) shall be made only in accordance with this Section 305(b).

(1) *Transfer and Exchange of Beneficial Interests in Global Securities.* The transfer and exchange of beneficial interests in Global Securities will be effected through the applicable Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Securities will be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in Global Securities also will require compliance with either subparagraph (A) or (B) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(A) *Transfer of Beneficial Interests in the Same Global Security*. Beneficial interests in any Restricted Global Security may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Security in accordance with the transfer restrictions set forth in the applicable legends provided thereon; provided, however, that transfers of beneficial interests in the Global Security issued pursuant to Regulation S under the Securities Act may not be made to a U.S. Person or for the account or benefit of a U.S. Person prior to the expiration of the 40-day "Distribution Compliance Period" under Regulation S, unless such person is a "Distributor" as defined in Rule 902 under the Securities Act. Beneficial interests in any Unrestricted Global Security may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Security. No written orders or instructions shall be required to be delivered to the Security Registrar to effect the transfers described in this Section 305(b)(1)(A).

(B) *All Other Transfers and Exchanges of Beneficial Interests in Global Securities*. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 305(b)(1)(A) above, the transferor of such beneficial interest must deliver to the Security Registrar both (i) a written order from a Participant or an Indirect Participant given to the applicable Depositary in accordance with the Applicable Procedures directing the applicable Depositary to credit or cause to be credited a beneficial interest in another Global Security in an amount equal to the beneficial interest to be transferred or exchanged, and (ii) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase.

(C) *Transfer of Beneficial Interests to Another Restricted Global Security.* A beneficial interest in any Restricted Global Security may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Security if the transfer complies with the requirements of Section 305(a) above and the Security Registrar receives the following:

(i) if the transferee will take delivery in the form of a beneficial interest in a Global Security offered and sold pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form of **Annex A** hereto, including the certifications in item (1) thereof; and

(ii) if the transferee will take delivery in the form of a beneficial interest in a Global Security offered and sold pursuant to Regulation S under the Securities Act, then the transferor must deliver a certificate in the form of **Annex A** hereto, including the certifications in item (2) thereof.

(D) Transfer and Exchange of Beneficial Interests in a Restricted Global Security for Beneficial Interests in an Unrestricted Global Security. A beneficial interest in any Restricted Global Security may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Security or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Security if the exchange or transfer complies with the requirements of Section 305(a) above and the Security Registrar receives the following: (i) if the holder of such beneficial interest in a Restricted Global Security proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Security, a certificate from such holder in the form of **Annex B** hereto, including the certifications in item (1)(a) thereof; or (ii) if the holder of such beneficial interest in a Restricted Global Security proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Security, a certificate from such holder in the form of **Annex A** hereto, including the appropriate certifications in item (3) thereof; and, in each such case, if the Company so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the applicable legends provided thereon are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to clause (D) above at a time when an Unrestricted Global Security has not yet been issued, the Company shall issue and, upon receipt of a Company Order in accordance with Section 303 hereof, the Trustee shall authenticate one or more Unrestricted Global Securities in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to clause (3) above.

Beneficial interests in an Unrestricted Global Security cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Security.

(2) *Transfer or Exchange of Beneficial Interests for Certificated Securities*. If any one of the events listed in Section 305(a) has occurred or the Company has elected to cause the issuance of certificated Securities, transfers or exchanges of beneficial interests in a Global Security for a certificated Security shall be effected, subject to the satisfaction of the conditions set forth in the applicable subclauses of this Section 305(b)(2).

(A) *Beneficial Interests in Restricted Global Securities to Restricted Certificated Securities*. If any holder of a beneficial interest in a Restricted Global Security proposes to exchange such beneficial interest for a Restricted Certificated Security or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Certificated Security, then, upon receipt by the Security Registrar of the following documentation:

(i) if the holder of such beneficial interest in a Restricted Global Security proposes to exchange such beneficial interest for a Restricted Certificated Security, a certificate from such holder in the form of **Annex B** hereto, including the certifications in item (2)(a) thereof;

(ii) if such beneficial interest is being transferred to a qualified institutional buyer in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in **Annex A** hereto, including the certifications in item (1) thereof;

(iii) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in **Annex A** hereto, including the certifications in item (2) thereof;

(iv) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in **Annex A** hereto, including the certifications in item (3)(a) thereof; and

(v) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in **Annex A** hereto, including the certifications in item (4) thereof;

the Trustee shall cause the aggregate principal amount of the applicable Global Security to be reduced accordingly pursuant to Section 305(c) hereof, and the Company and the Guarantors shall execute and upon receipt of a Company Order the Trustee shall authenticate and deliver to the Person designated in the instructions a Certificated Security in the appropriate principal amount. Any Certificated Security issued in exchange for a beneficial interest in a Restricted Global Security pursuant to this Section 305(b)(2) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Security Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Certificated Securities to the Persons in whose names such Securities are so registered. Any Certificated Security issued in exchange for a beneficial interest in a Restricted Global Security pursuant to this Section 305(b)(2) shall bear the appropriate legends and shall be subject to all restrictions on transfer contained therein.

(B) *Beneficial Interests in Restricted Global Securities to Unrestricted Certificated Securities*. A holder of a beneficial interest in a Restricted Global Security may exchange such beneficial interest for an Unrestricted Certificated Security or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Certificated Security only if:

(i) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Annex A hereto, including the certifications in item (3)(a) thereof; or

(ii) the Security Registrar receives the following:

(a) if the holder of such beneficial interest in a Restricted Global Security proposes to exchange such beneficial interest for an Unrestricted Certificate Security, a certificate from such holder in the form of Annex B hereto, including the certifications in item (1)(b) thereof; or

(b) if the holder of such beneficial interest in a Restricted Global Security proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of an Unrestricted Certificated Security, a certificate from such holder in the form of Annex A hereto, including the appropriate certifications in item (3) thereof;

and, in each such case set forth in this subparagraph (ii), if the Company so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the appropriate legends are no longer required in order to maintain compliance with the Securities Act.

(C) *Beneficial Interests in Unrestricted Global Securities to Unrestricted Certificated Securities*. If any holder of a beneficial interest in an Unrestricted Global Security proposes to exchange such beneficial interest for a Certificated Security or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Certificated Security, then, upon satisfaction of the conditions set forth in Section 305(b)(1)(B) hereof, the Trustee will cause the aggregate principal amount of the applicable Global Security to be reduced accordingly pursuant to Section 305(c) hereof, and the Company will execute and upon receipt of a Company Order the Trustee will authenticate and deliver to the Person designated in the instructions a Certificated Security in the appropriate principal amount. Any Certificated Security issued in exchange for a beneficial interest pursuant to this Section 305(b)(2)(C) will be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest requests through instructions to the Security Registrar from or through the applicable Depositary and the Participant or Indirect Participant. The Trustee will deliver such Certificated Securities to the Persons in whose names such Securities are so registered. Any Certificated Security issued in exchange for a beneficial interest pursuant to this Section 305(b)(2)(C) will not bear a Restricted Security legend.

*(3) Transfer and Exchange of Certificated Securities for Beneficial Interests.*

(A) *Restricted Certificated Securities to Beneficial Interests in Restricted Global Securities*. If any Holder of a Restricted Certificated Security proposes to exchange such Security for a beneficial interest in a Restricted Global Security or to transfer such Restricted Certificated Security to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Security, then, upon receipt by the Security Registrar of the following documentation:

(i) if the Holder of such Restricted Certificated Security proposes to exchange such Security for a beneficial interest in a Restricted Global Security, a certificate from such Holder in the form of **Annex B** hereto, including the certifications in item (2)(b) thereof;

(ii) if such Restricted Certificated Security is being transferred to a qualified institutional buyer in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in **Annex A** hereto, including the certifications in item (1) thereof;

(iii) if such Restricted Certificated Security is being transferred to a non-U.S. Person (as defined in Regulation S) in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in **Annex A** hereto, including the certifications in item (2) thereof; and

(iv) if such Restricted Certificated Security is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in **Annex A** hereto, including the certifications in item (4) thereof;

the Trustee will cancel the Restricted Certificated Security, increase or cause to be increased the aggregate principal amount of, in the case of clause (i) above, the appropriate Restricted Global Security, in the case of clause (ii) above, the Global Security offered and sold pursuant to Rule 144A under the Securities Act, and in the case of clause (iii) above, the Global Security offered and sold pursuant to Regulation S under the Securities Act.

(B) *Restricted Certificated Securities to Beneficial Interests in Unrestricted Global Securities*. A Holder of a Restricted Global Security may exchange such Security for a beneficial interest in an Unrestricted Global Security or transfer such Restricted Global Security to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Security only if:

(i) if such Restricted Certificated Security is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in **Annex A** hereto, including the certifications in item (3)(a) thereof; or

(ii) the Security Registrar receives: (A) if the Holder of such Restricted Certificated Security proposes to exchange such Restricted Certificated Security for a beneficial interest in the Unrestricted Global Security, a certificate from such Holder in the form of **Annex B** hereto, including the certifications in item (1)(c) thereof, or (B) if the Holder of such Restricted Certificated Security proposes to transfer such Restricted Certificated Security to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global

Security, a certificate from such Holder in the form of **Annex A** hereto, including the appropriate certifications in item (3) thereof, and, in each such case, if the Company so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the applicable legends are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 305(b)(3)(B), the Trustee will cancel the Certificated Security and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Security.

(C) *Unrestricted Certificated Securities to Beneficial Interests in Unrestricted Global Securities*. A Holder of an Unrestricted Certificated Security may exchange such Security for a beneficial interest in an Unrestricted Global Security or transfer such Unrestricted Certificated Security to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Security at any time. Upon receipt of a request for such an exchange or transfer, the Trustee will cancel the applicable Unrestricted Certificated Security and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Securities.

If any such exchange or transfer from a Certificated Security to a beneficial interest is effected pursuant to subparagraphs (c) above at a time when an Unrestricted Global Security has not yet been issued, the Company will issue and, upon receipt of a Company Order, the Trustee will authenticate one or more Unrestricted Global Securities in an aggregate principal amount equal to the principal amount of Certificated Securities so transferred.

(4) *Transfer and Exchange of Certificated Securities for Certificated Securities*. Upon request by a Holder of Certificated Securities and such Holder's compliance with the provisions of this Section 305(b)(4), the Security Registrar will register the transfer or exchange of Certificated Securities. Prior to such registration of transfer or exchange, the requesting Holder must present or surrender to the Security Registrar the Certificated Securities duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Security Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder must provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 305(b)(4).

(A) *Restricted Certificated Securities to Restricted Certificated Securities*. Any Restricted Certificated Security may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Certificated Security if the Security Registrar receives the following:

(i) if the transfer will be made pursuant to Rule 144A under the Securities Act, a certificate in the form of **Annex A** hereto, including the certifications in item (1) thereof;

(ii) if the transfer will be made pursuant to Rule 903 or Rule 904 under the Securities Act, a certificate in the form of **Annex A** hereto, including the certifications in item (2) thereof; and

(iii) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, a certificate in the form of **Annex A** hereto, including the certifications required by item (3) thereof.

(B) *Restricted Certificated Securities to Unrestricted Certificated Securities*. Any Restricted Certificated Security may be exchanged by the Holder thereof for an Unrestricted Certificated Security or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Certificated Security if the Security Registrar receives: (i) if the Holder of such Restricted Certificated Security proposes to exchange such Security for an Unrestricted Certificated Security, a certificate from such Holder in the form of **Annex B** hereto, including the certifications in item (1)(d) thereof; or (ii) if the Holder of such Restricted Certificated Security proposes to transfer such Security to a Person who shall take delivery thereof in the form of an Unrestricted Certificated Security, a certificate from such Holder in the form of **Annex A** hereto, including the appropriate certifications in item (3) thereof; and, in each such case, if the Security Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Security Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the appropriate legends are no longer required in order to maintain compliance with the Securities Act.

(C) *Unrestricted Certificated Securities to Unrestricted Certificated Securities*. A Holder of Unrestricted Certificated Securities may transfer such Securities to a Person who takes delivery thereof in the form of an Unrestricted Certificated Security. Upon receipt of a request to register such a transfer, the Security Registrar shall register the Unrestricted Certificated Securities pursuant to the instructions from the Holder thereof.

(c) *Cancellation and/or Adjustment of Global Securities*. At such time as all beneficial interests in a particular Global Security have been exchanged for Certificated Securities or a particular Certificated Security has been redeemed, repurchased or canceled in whole and not in part, each such Global Security will be returned to or retained and canceled by the Trustee in accordance with Section 311 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Security is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Security or for Certificated Securities, the principal amount of Securities represented by such Global Security will be reduced accordingly and an

endorsement will be made on such Global Security by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Security, such other Global Security will be increased accordingly and an endorsement will be made on such Global Security by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(d) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer or exchange imposed under this Indenture or under applicable law with respect to any transfer or exchange of any interest in any Security (including any transfers between or among Participants or beneficial owners in any Global Security) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

SECTION 306. *Mutilated, Destroyed, Lost and Stolen Securities.*

If any mutilated Security is surrendered to the Trustee, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them, the Guarantors and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security of any series issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company and the Guarantors, respectively, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of that series duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 307. *Payment of Interest; Interest Rights Preserved.*

Except as otherwise provided as contemplated by Section 301 with respect to any series of Securities, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

Any interest on any Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in Clause (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security of such series and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this Clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be given to each Holder of Securities of such series in the manner set forth in Section 106, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following Clause (2).

(2) The Company may make payment of any Defaulted Interest on the Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this Clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 308. *Persons Deemed Owners.*

Prior to due presentment of a Security for registration of transfer, the Company, the Parent Guarantor, the Trustee and any agent of the Company, the Guarantors or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of principal of and any premium and (subject to Section 307) any interest on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Guarantors, the Trustee nor any agent of the Company, the Guarantors or the Trustee shall be affected by notice to the contrary.

No holder of any beneficial interest in any Global Security held on its behalf by a Depositary shall have any rights under this Indenture with respect to such Global Security, and such Depositary may be treated by the Company, the Parent Guarantor, the Trustee and any agent of the Company, the Guarantors or the Trustee as the owner of such Global Security for all purposes whatsoever. None of the Company, the Guarantors, the Trustee, any Paying Agent or the Security Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

SECTION 309. *Cancellation.*

All Securities surrendered for payment, redemption, registration of transfer or exchange or for credit against any sinking fund payment shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly cancelled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company or the Guarantor may have acquired in any manner whatsoever, and may deliver to the Trustee (or to any other Person for delivery to the Trustee) for cancellation any Securities previously authenticated hereunder which the Company has not issued and sold, and all Securities so delivered shall be promptly cancelled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. The Trustee shall dispose of all cancelled Securities in accordance with its customary procedures.

SECTION 310. *Computation of Interest.*

Except as otherwise specified as contemplated by Section 301 for Securities of any series, interest on the Securities of each series shall be computed on the basis of a 360-day year of twelve 30-day months.

## ARTICLE FOUR

### SATISFACTION AND DISCHARGE

SECTION 401. *Satisfaction and Discharge of Indenture.*

This Indenture shall upon Company Request cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Securities herein expressly provided for), and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(1) either

(A) all Securities theretofore authenticated and delivered (other than (i) Securities which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 306 and (ii) Securities for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company or a Guarantor and thereafter repaid to the Company or that Guarantor or discharged from such trust, as provided in Section 1003) have been delivered to the Trustee for cancellation; or

(B) all such Securities not theretofore delivered to the Trustee for cancellation

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company,

and the Company or a Guarantor, as the case may be, in the case of (i), (ii) or (iii) above, has deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose money in an amount sufficient to pay and discharge the entire indebtedness on such Securities not theretofore delivered to the Trustee for cancellation, for principal and any premium and interest to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be;

(2) the Company or a Guarantor, as the case may be, has paid or caused to be paid all other sums payable hereunder by the Company; and

(3) the Company has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company and the Guarantors to the Trustee under Section 607 and, if money shall have been deposited with the Trustee pursuant to subclause (B) of Clause (1) of this Section, the obligations of the Trustee under Section 402 and the last paragraph of Section 1003 shall survive.

SECTION 402. *Application of Trust Money.*

Subject to the provisions of the last paragraph of Section 1003, all money deposited with the Trustee pursuant to Section 401 shall be held in trust and applied by it, in accordance with the provisions of the Securities and Guarantees and this Indenture, to the payment, either directly or through any Guarantor (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal and any premium and interest for whose payment such money has been deposited with the Trustee.

## ARTICLE FIVE

## REMEDIES

SECTION 501. *Events of Default.*

"Event of Default", wherever used herein with respect to Securities of any series, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) default in the payment of any interest upon any Security of that series when it becomes due and payable, and continuance of such default for a period of 30 days; or

(2) default in the payment of the principal of or any premium on any Security of that series at its Maturity; *provided* that to the extent any such failure to pay principal or premium is caused by a technical or administrative error, delay in processing payments or event beyond the control of the Company or a Guarantor, no Event of Default shall occur for three days following such failure to pay; *provided further* that in the case of any redemption payment, no Event of Default shall occur for 30 days following a failure to make such payment; or

(3) default in the performance or observance of any other material obligation of the Company or a Guarantor under any Security or Guarantee endorsed thereon, including any material covenant or warranty in this Indenture (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in this Section specifically dealt with or which has expressly been included in this Indenture solely for the benefit of series of Securities other than that series), and continuance of such default for a period of 90 days after there has been given, by registered or certified mail, to the Company and the Parent Guarantor by the Trustee or to the Company, the Parent Guarantor and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of that series a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(4) a default with respect to any obligation for the payment or repayment under any bond, debenture, note or other evidence of indebtedness for money borrowed by the Company or a Guarantor having an aggregate principal amount outstanding of at least €100,000,000 (or its equivalent in any other currency) that shall have resulted in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, without such indebtedness having been discharged, or such acceleration having been rescinded or annulled within 30 days; or

(5) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Company, the Parent Guarantor or a Guarantor that is a Significant Subsidiary of the Parent Guarantor in an involuntary case or proceeding under the applicable laws of their respective jurisdictions of organization or incorporation relating to bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudging the Company, the Parent Guarantor or a Guarantor that is a Significant Subsidiary of the Parent Guarantor as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company, the Parent Guarantor or the applicable Guarantor under the applicable laws of their respective jurisdictions of organization or incorporation, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company, the Parent Guarantor or the applicable Guarantor or of any substantial part of their property, or ordering the winding up or liquidation of their affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 90 consecutive days; or

(6) the commencement by the Company, the Parent Guarantor or a Guarantor that is a Significant Subsidiary of the Parent Guarantor of a voluntary case or proceeding under the applicable laws of their respective jurisdictions of organization or incorporation relating to bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated as bankrupt or insolvent, or the consent by the Company, the Parent Guarantor or a Guarantor that is a Significant Subsidiary of the Parent Guarantor to the entry of a decree or order for relief in respect of the Company, the Parent Guarantor or the applicable Guarantor, respectively, in an involuntary case or proceeding under the applicable laws of their respective jurisdictions of organization or incorporation relating to bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Company, the Parent Guarantor or the applicable Guarantor, or the filing by the Company, the Parent Guarantor or a Guarantor that is a Significant Subsidiary of a petition or answer or consent seeking reorganization or relief under the applicable laws of their respective jurisdictions of organization or incorporation, or the consent by the Company, the Parent Guarantor or a Guarantor that is a Significant Subsidiary of the Parent Guarantor to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company, the Parent Guarantor or the applicable Guarantor or of any substantial part of their property, or the making by the Company, the Parent Guarantor or a Guarantor that is a Significant Subsidiary of the Parent Guarantor of an assignment for the benefit of creditors, or the admission by the Company, the

Parent Guarantor or a Guarantor that is a Significant Subsidiary of the Parent Guarantor in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Company, the Parent Guarantor or the applicable Guarantor in furtherance of any such action; or

(7) the issuance of any governmental order, decree or enactment in or by Belgium or the jurisdiction of organization of a Guarantor that is a Significant Subsidiary of the Parent Guarantor whereby the Company, Parent Guarantor or applicable Guarantor is prevented from observing and performing in full its obligations pursuant to the Securities or that series and the Guarantees thereof, respectively, and such situation is not cured within 90 days; or

(8) a Guarantee of the Securities of that series provided by the Parent Guarantor or a Guarantor that is a Significant Subsidiary ceases to be valid and legally binding for any reason or the Parent Guarantor or a Guarantor that is a Significant Subsidiary seeks to deny or disaffirm its obligations under such Guarantee; or

(9) any other Event of Default provided with respect to Securities of that series.

SECTION 502. *Acceleration of Maturity; Rescission and Annulment.*

If an Event of Default (other than an Event of Default specified in Section 501(5) or 501(6)) with respect to Securities of any series at the time Outstanding occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of that series may declare the principal amount of all the Securities of that series (or, if any Securities of that series are Original Issue Discount Securities, such portion of the principal amount of such Securities as may be specified by the terms thereof) to be due and payable immediately, by a notice in writing to the Company and the Parent Guarantor (and to the Trustee if given by Holders), and upon any such declaration such principal amount (or specified amount) shall become immediately due and payable. If an Event of Default specified in Section 501(5) or 501(6) with respect to Securities of any series at the time Outstanding occurs, the principal amount of all the Securities of that series (or, if any Securities of that series are Original Issue Discount Securities, such portion of the principal amount of such Securities as may be specified by the terms thereof) shall automatically, and without any declaration or other action on the part of the Trustee or any Holder, become immediately due and payable.

At any time after such a declaration of acceleration with respect to Securities of any series has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in principal amount of the Outstanding Securities of that series, by written notice to the Company, the Parent Guarantor and the Trustee, may rescind and annul such declaration and its consequences if

(1) the Company or the Guarantors have paid or deposited with the Trustee a sum sufficient to pay

(A) all overdue interest on all Securities of that series,

(B) the principal of (and premium, if any, on) any Securities of that series which have become due otherwise than by such declaration of acceleration and any interest thereon at the rate or rates prescribed therefor in such Securities,

(C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate or rates prescribed therefor in such Securities, and

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents, advisers and counsel;

and

(2) all Events of Default with respect to Securities of that series, other than the non-payment of the principal of Securities of that series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

SECTION 503. *Collection of Indebtedness and Suits for Enforcement by Trustee.*

The Company and the Guarantors covenant that if

(1) default is made in the payment of any interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days, or

(2) default is made in the payment of the principal of or premium on any Security at its Maturity; *provided* that in case any such failure to pay principal or premium is caused by a technical or administrative error, delay in processing payments or event beyond the control of the Company or a Guarantor, such default continues for more than three days; provided, further, that, in the case of a default in making a redemption payment, such default continues for 30 days,

the Company and the Guarantors will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal and any premium and interest and, to the extent that payment of such interest shall be legally enforceable, interest on any overdue principal and premium and on any overdue interest, at the rate or rates prescribed therefor in such Securities, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including compensation, expenses, disbursements and advances of the Trustee, its agents, advisers and counsel that are properly incurred.

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such

proceeding to judgment or final decree and may enforce the same against the Company or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon such Securities, wherever situated.

If an Event of Default with respect to Securities of any series occurs and is continuing, the Trustee may in its discretion, and subject to indemnity and/or security, proceed to protect and enforce its rights and the rights of the Holders of Securities of such series by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 504. *Trustee May File Proofs of Claim.*

In case of any judicial proceeding relative to the Company, any Guarantor (or any other obligor upon the Securities), its property or its creditors, the Trustee shall be entitled and empowered, by intervention in such proceeding or otherwise, to take any and all actions authorized under the Trust Indenture Act and local law in order to have claims of the Holders and the Trustee allowed in any such proceeding. In particular, the Trustee shall be authorized to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the compensation, expenses, disbursements and advances of the Trustee, its agents, advisers and reasonable fees and expenses of its counsel, and any other amounts due the Trustee under Section 607.

No provision of this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities of any series or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding; *provided*, *however*, that the Trustee may, on behalf of the Holders, vote for the election of a trustee in bankruptcy or similar official and be a member of a creditors' or other similar committee.

SECTION 505. *Trustee May Enforce Claims Without Possession of Securities.*

All rights of action and claims under this Indenture, the Securities or any Guarantee may be prosecuted and enforced by the Trustee without the possession of any of the Securities or any Guarantee or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the compensation, expenses, disbursements and advances of the Trustee, its agents, advisers and reasonable fees and expenses of its counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

SECTION 506. *Application of Money Collected.*

Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or any premium or interest, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee and its agents and advisers under Section 607; and

SECOND: the payment of the amounts then due and unpaid for principal of and any premium and interest on the Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal and any premium and interest, respectively.

SECTION 507. *Limitation on Suits.*

No Holder of any Security of any series shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, the Securities or any Guarantees or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of that series;

(2) the Holders of not less than 25% in principal amount of the Outstanding Securities of that series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(3) such Holder or Holders have offered to the Trustee indemnity and/or security satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities of that series;

it being understood and intended that no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing itself of, any provision of this Indenture to affect, disturb or prejudice the rights of any other of such Holders, or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all of such Holders.

SECTION 508. *Unconditional Right of Holders to Receive Principal, Premium and Interest.*

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of and any premium and (subject to Section 307) interest on such Security on the respective Stated Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 509. *Restoration of Rights and Remedies.*

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Guarantors, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

SECTION 510. *Rights and Remedies Cumulative.*

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy, hereunder or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 511. *Delay or Omission Not Waiver.*

No delay or omission by the Trustee or by any Holder of any Securities to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 512. *Control by Holders.*

The Holders of a majority in principal amount of the Outstanding Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Securities of such series, *provided* that

(1) such direction shall not be in conflict with any rule of law or with this Indenture and would not involve the Trustee in personal liability, and

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 513. *Waiver of Past Defaults.*

The Holders of not less than a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past default hereunder with respect to such series and its consequences, except a default

(1) in the payment of the principal of or any premium or interest on any Security of such series, or

(2) in respect of a covenant or provision hereof which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 514. *Undertaking for Costs.*

In any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, a court may require any party litigant in such suit to file an undertaking to pay the costs of such suit, and may assess costs against any such party litigant, in the manner and to the extent provided in the Trust Indenture Act; *provided* that neither this Section nor the Trust Indenture Act shall be deemed to authorize any court to require such an undertaking or to make such an assessment in any suit instituted by the Trustee or to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Outstanding Securities of any series, or to any suit instituted by any Holder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Security on or after the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption, on or after the Redemption Date).

SECTION 515. *Waiver of Usury, Stay or Extension Laws.*

Each of the Company and Guarantors covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any usury, stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company and Guarantors (to the extent that it may lawfully do so) hereby each expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 516. *Agents to Act for Trustee.*

At any time after the occurrence of an Event of Default the Trustee shall be entitled to require the Authenticating Agent, the Paying Agent or another agent acting on behalf of the Company in relation to any of the Securities to act under its direction.

## ARTICLE SIX

## THE TRUSTEE

SECTION 601. *Certain Duties and Responsibilities.*

The duties and responsibilities of the Trustee shall be as provided by the Trust Indenture Act and this Indenture; provided, that (i) notwithstanding Section 315(a)(2) of the Trust Indenture Act, the Trustee need not confirm or investigate the accuracy of any mathematical calculations or other facts, statements, opinions or conclusions stated in the certificates or opinions referred to therein, and (ii) except during the continuance of an Event of Default, no implied covenants or obligations shall be read into this Indenture against the Trustee. Notwithstanding the foregoing, no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability, including, for the avoidance of doubt, compensation for its services hereunder, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity and/or security against such risk or liability is not reasonably assured to it, nor shall the Trustee be required to do anything which it believes is illegal or contrary to applicable laws. Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 602. *Notice to Holders of Defaults.*

If a default occurs hereunder with respect to Securities of any series, the Trustee shall give the Holders of Securities of such series notice of such default as and to the extent provided by the Trust Indenture Act; *provided*, *however*, that in the case of any default of the character specified in Section 501(3) with respect to Securities of such series, no such notice to Holders shall be given until at least 30 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to Securities of such series.

SECTION 603. *Certain Rights of Trustee.*

Subject to the provisions of Section 601:

(1) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document (whether in its original or facsimile form) believed by it to be genuine and to have been signed or presented by the proper party or parties;

(2) any request or direction of the Company or the Parent Guarantor mentioned herein shall be sufficiently evidenced by a Company Request or Company Order or order by the Parent Guarantor, and any resolution of the Board of Directors of the Company or the Parent Guarantor shall be sufficiently evidenced by a Board Resolution of the Company or the Parent Guarantor;

(3) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, exclusively rely upon an Officer's Certificate;

(4) the Trustee may consult with counsel and other advisers of its own selection and the advice of such counsel or other advisers or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(5) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by, or pursuant to, this Indenture at the request or direction of any of the Holders pursuant to this Indenture or otherwise take any action, unless such Holders shall have offered to the Trustee security and/or indemnity reasonably satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction or the taking of such action;

(6) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion acting reasonably, may make such further inquiry or investigation into such facts or matters as it may see fit at the sole cost of the Company and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation except for liability resulting from the Trustee's gross negligence, bad faith or willful misconduct, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney, at the sole cost of the Company;

(7) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(8) in no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of business, goodwill, opportunity or profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action;

(9) the Trustee shall not be deemed to have notice of any Event of Default unless an officer of the Trustee responsible for the administration of this Indenture has actual knowledge thereof or unless written notice of any event which is in fact such an Event of Default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the relevant Securities and this Indenture;

(10) whether or not expressly provided in any other provision hereof, the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified and all rights provided under Sections 601 and this Section 603, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder, and shall survive the earlier of any removal or resignation, or the termination of this Indenture;

(11) the Trustee shall not be liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with an Act of the Holders hereunder, and, to the extent not so provided herein, with respect to any Act requiring the Trustee to exercise its own discretion, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture or any Notes, unless it shall be proved that, in connection with any such action taken, suffered or omitted or any such act, the Trustee was grossly negligent, acted in bad faith or engaged in willful misconduct;

(12) the permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it except in case of gross negligence, bad faith or willful default or misconduct;

(13) the Trustee shall not be required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Indenture;

(14) in the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more Holders or groups of Holders, each representing less than a majority in aggregate principal amount of the Securities of a series then outstanding, each pursuant to the provisions of this Indenture, the Trustee, in its sole discretion, may, but shall not be obligated to, determine what action, if any, shall be taken and the Trustee shall suffer no liability from so determining or not determining what action, if any, shall be taken, as the case may be, or otherwise from failing to act;

(15) except as provided herein, the Trustee shall have no duty to inquire as to the performance of the covenants of the Company, the Parent Guarantor, or any other entity and the Trustee shall be entitled to assume without inquiry that the Company, the Parent Guarantor, and any other Guarantor have each performed in accordance with all of the provisions of the Indenture, unless notified to the contrary;

(16) in no event shall the Trustee be liable for any failure or delay in the performance of its obligations hereunder arising out of, or caused by, directly or indirectly, forces or circumstances beyond the Trustee's control, including, but not limited to, acts of God, flood, war (whether declared or undeclared), civil or military disturbances, terrorism, fire, riot, embargo, strikes, work stoppages, accidents, nuclear or natural catastrophes, government action (including any laws, ordinances or regulations) or interruptions, loss or malfunctions of utilities, communications or computer (software or hardware) services, which delay, restrict or prohibit the providing of any services or the taking of any action contemplated by this Indenture;

(17) the Trustee will not be liable to any person if prevented or delayed in performing any of its obligations or discretionary functions under this Indenture by reason of any present or future law applicable to it, by any governmental or regulatory authority or by any circumstances beyond its control; and

(18) the Trustee may request that the Company deliver an Officer's Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officer's Certificate may be signed by any person authorized to sign an Officer's Certificate, including any person as so authorized in any such certificate previously delivered and not superseded.

SECTION 604. *Not Responsible for Recitals or Issuance of Securities.*

The recitals contained herein and in the Securities and the Guarantees, except the Trustee's certificates of authentication, shall be taken as the statements of the Company and the Guarantors, and neither the Trustee nor any Authenticating Agent assumes any responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities or the Guarantees. Neither the Trustee nor any Authenticating Agent shall be accountable for the use or application by the Company of Securities or the proceeds thereof.

SECTION 605. *May Hold Securities.*

The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Trustee, the Company or the Guarantors, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 608 and 613, may otherwise deal with the Company or the Guarantors with the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

SECTION 606. *Money Held in Trust.*

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Company.

SECTION 607. *Compensation and Reimbursement.*

Each of the Company and the Parent Guarantor agrees

(1) to pay to the Trustee from time to time compensation for all services rendered by it hereunder, including, if applicable, additional compensation in the event of a default or Event of Default (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all expenses, disbursements and advances properly incurred or made by the Trustee in accordance with any provision of this Indenture or arising out of, or in connection with, the acceptance or administration of the trust or trusts hereunder (including the compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as shall be determined to have been caused by its willful misconduct, gross negligence or bad faith; and

(3) to indemnify the Trustee, its officers, directors, employees, representatives and agents for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

The Trustee shall have a lien prior to the Securities as to all property and funds held or collected by it hereunder for any amount owing it or any predecessor Trustee pursuant to this Section 607, except with respect to funds held in trust for the benefit of the Holders of particular Securities.

Without prejudice to any other rights available to the Trustee under applicable law, when the Trustee incurs expenses or renders services after the occurrence of an Event of Default specified in Section 501(5) or (6), the expenses (including the reasonable charges and expenses of its counsel, agents and advisers) and the compensation for the services are intended to constitute expenses of administration under any applicable bankruptcy, insolvency or other similar law.

The provisions of this Section shall survive the termination of this Indenture and the resignation or removal of the Trustee and shall apply with equal force and effect to any agent under this Indenture.

SECTION 608. *Conflicting Interests.*

If the Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Indenture. To the extent permitted by such Act, the Trustee shall not be deemed to have a conflicting interest by virtue of being a trustee under this Indenture with respect to Securities of more than one series.

SECTION 609. *Corporate Trustee Required; Eligibility.*

There shall at all times be one (and only one) Trustee hereunder with respect to the Securities of each series, which may be Trustee hereunder for Securities of one or more other series. Each Trustee shall be a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least $50,000,000. If any such Person publishes reports of condition at least annually, pursuant to law or to the requirements of its supervising or examining authority, then for the purposes of this Section and to the extent permitted by the Trust Indenture Act, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee with respect to the Securities of any series shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

SECTION 610. *Resignation and Removal; Appointment of Successor.*

No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 611.

The Trustee may resign at any time, without giving explanation as to such resignation, with respect to the Securities of one or more series by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 611 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition at the expense of the Company any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series, delivered to the Trustee and to the Company and the Parent Guarantor.

If at any time:

(1) the Trustee shall fail to comply with Section 608 after written request therefor by the Company and the Parent Guarantor or by any Holder who has been a bona fide Holder of a Security for at least six months, or

(2) the Trustee shall cease to be eligible under Section 609 and shall fail to resign after written request therefor by the Company and the Parent Guarantor or by any such Holder, or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (A) the Company and the Parent Guarantor by a Board Resolution may remove the Trustee with respect to all Securities, or (B) subject to Section 514, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee or Trustees.

If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect to the Securities of one or more series, the Company and the Parent Guarantor, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any particular series) and shall comply with the applicable requirements of Section 611. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company, the Parent Guarantor and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 611, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company and the Parent Guarantor. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company and the Parent Guarantor or the Holders and accepted appointment in the manner required by Section 611, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series to all Holders of Securities of such series in the manner provided in Section 106. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

In no event shall any retiring Trustee be held liable for any acts or omissions of any successor Trustee hereunder.

SECTION 611. *Acceptance of Appointment by Successor.*

In case of the appointment hereunder of a successor Trustee with respect to all Securities, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and the Parent Guarantor and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company, the Parent Guarantor or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.

In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the Parent Guarantor, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee; and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company, the Parent Guarantor, or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

Upon request of any such successor Trustee, the Company and the Parent Guarantor shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to in the first or second preceding paragraph, as the case may be.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

SECTION 612. *Merger, Conversion, Consolidation or Succession to Business.*

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

SECTION 613. *Preferential Collection of Claims Against Company or the Guarantors.*

If and when the Trustee shall be or become a creditor of the Company or a Guarantor (or any other obligor upon the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Company or the Guarantor (or any such other obligor).

SECTION 614. *Appointment of Authenticating Agent.*

The Trustee may appoint an Authenticating Agent or Agents with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon original issue and upon exchange, registration of transfer or partial redemption thereof or pursuant to Section 306, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and the Parent Guarantor and shall at all times be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than $50,000,000 and subject to supervision or examination by Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company and the Parent Guarantor. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company and the Parent Guarantor. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of

this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall give notice of such appointment in the manner provided in Section 106 to all Holders of Securities of the series with respect to which such Authenticating Agent will serve. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Company agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section.

If an appointment with respect to one or more series is made pursuant to this Section, the Securities of such series may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternative certificate of authentication in the following form:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.
*As Trustee*

By_____,
*As Authenticating Agent*

By_____
*Authorized Officer*

## ARTICLE SEVEN

### HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

SECTION 701. *Company and the Parent Guarantor to Furnish Trustee Names and Addresses of Holders.*

The Company and the Parent Guarantor will furnish or cause to be furnished to the Trustee

(1) semi-annually, not later than June 30 and December 30 in each year, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders of Securities of each series as of the preceding June 15 or December 15, as the case may be, and

(2) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company or the Parent Guarantor of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished;

*excluding* from any such list names and addresses received by the Trustee in its capacity as Security Registrar.

SECTION 702. *Preservation of Information; Communications to Holders.*

The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 701 and the names and addresses of Holders received by the Trustee in its capacity as Security Registrar. The Trustee may destroy any list furnished to it as provided in Section 701 upon receipt of a new list so furnished.

The rights of Holders to communicate with other Holders with respect to their rights under this Indenture or under the Securities, and the corresponding rights and privileges of the Trustee, shall be as provided by the Trust Indenture Act.

Every Holder of Securities, by receiving and holding the same, agrees with the Company, the Guarantors and the Trustee that neither the Company, the Guarantors nor the Trustee nor any agent of any of them shall be held accountable by reason of any disclosure of information as to names and addresses of Holders made pursuant to the Trust Indenture Act.

SECTION 703. *Reports by Trustee.*

The Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto. Reports so required to be transmitted at stated intervals of not more than 12 months shall be transmitted within 60 days after (i) the first anniversary of the first date of issuance of Securities hereunder and (ii) each anniversary of such date.

A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange upon which any Securities are listed, with the Commission and with the Company and the Parent Guarantor. The Company or the Parent Guarantor will notify the Trustee when any Securities are listed on any stock exchange.

SECTION 704. *Reports by the Parent Guarantor.*

The Parent Guarantor will file with the Trustee, within 15 days after it files the same with the Commission, copies of the annual reports and of the information, documents and other reports that, if it is subject to the reporting requirements of either Section 13 or 15(d) of the Exchange Act, it files with the Commission pursuant to Section 13 or Section 15(d). If the Parent Guarantor is not required to file with the Commission information, documents or reports pursuant to either of those sections of the Exchange Act, then it will file with the Trustee and the Commission such reports, if any, as may be prescribed by the Commission pursuant to the Trust Indenture Act at such time, in each case within 15 days after it files the same with the Commission.

Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's or any Guarantor's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

## ARTICLE EIGHT

### CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

SECTION 801. *Company and a Guarantor May Consolidate, Etc., Only on Certain Terms.*

Either the Company or the Guarantors may, without the consent of the Holders, consolidate with, or merge into, or sell, transfer, lease or convey all or substantially all of their respective assets to, any Corporation and the Company may at any time substitute for the Company either a Guarantor or any Affiliate of a Guarantor as principal debtor under the Securities (a "Substitute Company"); *provided* that:

(1) in the case that a Guarantor or the Company shall consolidate with or merge into another Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, the Person formed by such consolidation or into which such Guarantor or the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of such Guarantor or the Company substantially as an entirety shall by an indenture supplemental hereto, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, (i) in the case of a Guarantor, expressly guarantee, or (ii) in the case of the Company, expressly assume the due and punctual payment of the principal of and any premium and interest on all the Securities and the performance or observance of every covenant of this Indenture on the part of the applicable Guarantor or the Company, as the case may be, to be performed or observed;

(2) the Company is not in default of any payments due under the Securities and immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing;

(3) the Person formed by such consolidation or into which a Guarantor or the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of a Guarantor or the Company substantially as an entirety shall be organized under the laws of a member country of the Organization for Economic Co-Operation and Development;

(4) in the case of a Substitute Company:

(i) the obligations of the Substitute Company arising under or in connection with the Securities and the Indenture are jointly and severally, irrevocably, fully and unconditionally guaranteed by the Guarantors on the same terms as existed immediately prior to such substitution under the Guarantees given by such Guarantors;

(ii) the Parent Guarantor, the Company and the Substitute Company jointly and severally indemnify each Holder for any income tax or other tax (if any) recognized by such Holder solely as a result of the substitution of the Substitute Company (and not as a result of any transfer by such Holder), *provided*, *however*, that this indemnity shall not apply to any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and shall not require the payment of Additional Amounts on account of any such withholding or deduction;

(iii) each stock exchange on which the Securities are listed shall have confirmed that, following the proposed substitution, such Securities will continue to be listed on such stock exchange; and

(iv) each rating agency that rates the Securities shall have confirmed that, following the proposed substitution of the Substitute Company, such Securities will continue to have the same or better rating as immediately prior to such substitution;

(5) written notice of such transaction shall be promptly provided to the Holders.

SECTION 802. *Successor Substituted.*

Upon any consolidation of a Guarantor or the Company, as the case may be, with, or merger of such Guarantor or the Company, as the case may be, into, any other Person or any conveyance, transfer or lease of the properties and assets of such Guarantor or the Company, as the case may be, substantially as an entirety in accordance with Section 801, the successor Person formed by such consolidation or into which such Guarantor or the Company, as the case may be, is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, such Guarantor or the Company, as the case may be, under this Indenture with the same effect as if such successor Person had been named as such Guarantor or the Company, as the case may be, herein, and thereafter, except in the case of a lease, the predecessor Person shall be relieved of all obligations and covenants under this Indenture and the Securities.

SECTION 803. *Conversion to Limited Liability Company.*

(a) Notwithstanding any other provision hereof, the Company may at any time, in its sole discretion, convert from a corporation into a limited liability company, pursuant to Section 266 of the Delaware General Corporation Law or any other applicable law of the State of Delaware that provides that the limited liability company resulting from such conversion shall be deemed to be the same entity as the corporation.

(b) Upon such conversion, all references to the Company herein, in any indenture supplemental hereto and in any Outstanding Securities shall be deemed to refer to the limited liability company resulting from such conversion without any further action by the Company hereunder. Such conversion shall not constitute a breach of any covenant or warranty of the Company or any Guarantor in this Indenture and shall not constitute a default in the performance or observance of any of their respective obligations hereunder.

(c) Promptly following any such conversion, the Company shall give written notice of such conversion to the Trustee and shall deliver to the Trustee:

(1) copies of (a) a Board Resolution approving such conversion and (b) the certificate of conversion filed with the Secretary of State for Delaware, in each case certified by the Secretary or an Assistant Secretary or other authorized officer or person of the Company; and

(2) an Opinion of Counsel stating that the Company is an existing limited liability company in good standing under the laws of the State of Delaware and that all conditions precedent provided for in this Indenture to such conversion have been complied with.

(d) For the avoidance of doubt, the Company shall not be required to enter into any indenture supplemental hereto in order to affect the conversion pursuant this Section 803.

## ARTICLE NINE

## SUPPLEMENTAL INDENTURES

SECTION 901. *Supplemental Indentures Without Consent of Holders.*

Without the consent of any Holders, the Company, the Parent Guarantor and the Guarantors party hereto from time to time, when authorized by their respective boards of directors or other governing bodies, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(1) to evidence the succession of another Person to the Company or a Guarantor, or successive successions, and the assumption by any such successor of the covenants of the Company or such Guarantor herein and in the Securities; or

(2) to add any Subsidiary of the Parent Guarantor as a Guarantor with respect to any series of Securities, subject to applicable regulatory or contractual limitations relating to such Subsidiary's Guarantee; or

(3) to add to the covenants of the Company or the Guarantors for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power herein conferred upon the Company or the Guarantors; or

(4) to modify the restrictions on and procedures for resale and the transfers of the Securities pursuant to law, regulation or practice relating to the resale or transfer of restricted securities generally; or

(5) to add any additional Events of Default for the benefit of the Holders of all or any series of Securities (and if such additional Events of Default are to be for the benefit of less than all series of Securities, stating that such additional Events of Default are expressly being included solely for the benefit of such series); or

(6) to add to, change or eliminate any of the provisions of this Indenture in respect of one or more series of Securities, *provided* that any such addition, change or elimination (A) shall neither (i) apply to any Security of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (ii) modify the rights of the Holder of any such Security with respect to such provision or (B) shall become effective only when there is no such Security Outstanding; or

(7) to convey, transfer, assign, mortgage or pledge any property or assets to the Trustee or another person as security for the Securities; or

(8) to provide for the issues of Securities in exchange for one or more series of outstanding Securities; or

(9) to provide for the issuance and terms of any particular series of Securities or Guarantees as permitted by Sections 201, 206, 301 and 312, the rights and obligations of the Guarantors and the Holders of the Securities of such series, the form or forms of the Securities of such series and such other matters in connection therewith as the Company and the Guarantors shall consider appropriate, including, without limitation, provisions for (a) additional or different covenants, restrictions or conditions applicable to such series, (b) additional or different events of default in respect of such series, (c) a longer or shorter period of grace and/or notice in respect of any provision applicable to such series than is otherwise provided, (d) immediate enforcement of any event of default in respect of such series, or (e) limitations upon the remedies available in respect of any events of default in respect of such series or upon the rights of the holders of securities of such series to waive any such event of default; or

(10) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 611; or

(11) to cure any ambiguity, to correct or supplement any provision herein or in the Securities or Guarantees or in any supplemental agreement, which may be defective or inconsistent with any other provision herein or therein or any supplemental agreement, to eliminate any conflict between the terms hereof and the Trust Indenture Act or to make any other provisions with respect to matters or questions arising under this Indenture or any supplemental agreement as the Company may deem necessary or desirable, *provided* that in either case such action pursuant to this Clause (11) shall not adversely affect the interests of the Holders of Securities of any series to which such provisions relate in any material respect; or

(12) to "reopen" any series of Securities and to create and issue additional Securities of the same series having identical terms and conditions as any series already issued (or in all respects except for the issue date, issue price and, if applicable, initial interest accrual date and first Interest Payment Date), any such additional Securities to be consolidated and form a single series with the outstanding Securities of such series; or

(13) to provide for the release and termination of any Guarantee by any Subsidiary as provided herein;

(14) to provide for any amendment, modification or alteration of the Guarantees or the limitations applicable thereto, in accordance with Section 209; or

(15) to make any other change that does not materially adversely affect the interests of the Holders of the series of Securities affected thereby.

SECTION 902. *Supplemental Indentures With Consent of Holders.*

With the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities (irrespective of series) affected by such supplemental indenture, by Act of said Holders delivered to the Company, the Parent Guarantor and the Trustee, the Company, when authorized by a Board Resolution, the Parent Guarantor, the Subsidiary Guarantors party hereto from time to time and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of Securities of such series under this Indenture; *provided*, *however*, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security affected thereby,

(1) change the Stated Maturity of the principal of, or any installment of principal of or interest on, any Security, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or reduce the amount of the principal of an Original Issue Discount Security or any other Security which would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502, or change the coin or currency in which any Security or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date), or change the Company's or a Guarantor's obligation to pay Additional Amounts, or change in any manner adverse to the interests of the Holders the terms and provisions of the Guarantees in respect of the due and punctual payment of principal amount of the Securities then Outstanding plus accrued and unpaid interest (and all Additional Amounts, if any);

(2) reduce the percentage in principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such supplemental indenture or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

Any amendment, modification or alteration authorized pursuant to Section 901 shall not be subject to this Section 902.

SECTION 903. *Execution of Supplemental Indentures.*

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel and an Officer's Certificate, each stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

SECTION 904. *Effect of Supplemental Indentures.*

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

SECTION 905. *Conformity with Trust Indenture Act.*

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act.

SECTION 906. Reference in Securities to Supplemental Indentures.

Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series.

## ARTICLE TEN

## COVENANTS

SECTION 1001. *Payment of Principal, Premium and Interest.*

The Company covenants and agrees for the benefit of each series of Securities that it will duly and punctually pay the principal of and any premium and interest on the Securities of that series in accordance with the terms of the Securities and this Indenture.

SECTION 1002. *Maintenance of Office or Agency.*

The Company will maintain in each Place of Payment for any series of Securities an office or agency where Securities of that series may be presented or surrendered for payment, where Securities of that series may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands. The Company hereby appoints the Trustee as its agent for all of the foregoing purposes with respect to the Securities of each series.

The Company may also from time to time designate one or more other offices or agencies where the Securities of one or more series may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided*, *however*, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in each Place of Payment for Securities of any series for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

SECTION 1003. *Money for Securities Payments to Be Held in Trust.*

If the Company or a Guarantor shall at any time act as its own Paying Agent with respect to any series of Securities, it will, on or before each due date of the principal of or any premium or interest on any of the Securities of that series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal and any premium and interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustee of its action or failure so to act**.**

Whenever the Company shall have one or more Paying Agents for any series of Securities, it will, before 10:00 am (London time) at least one Business Day prior to each due date of the principal of or any premium or interest or any other amounts on any Securities of that series, deposit with a Paying Agent a sum in immediately available funds sufficient to pay such amount, such sum to be held as provided by the Trust Indenture Act, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act. No Paying Agent shall be obligated to make any payment with respect to the Securities unless and until such funds have been so deposited.

The Company will cause each Paying Agent for any series of Securities, other than the Trustee, to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will (1) comply with the provisions of the Trust Indenture Act applicable to it as a Paying Agent; (2) give the Trustee notice of any default by the Company or any Guarantor (or any other obligor upon the Securities) in the making of any payment of principal, premium, if any, any Additional Amounts or interest on the Securities; and (3) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent for payment in respect of that series of Securities.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of or any premium or interest on any Security of any series and remaining unclaimed for two years after such principal, premium or interest has become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust, and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; *provided*, *however*, that the Trustee or such Paying Agent, before being required to make any such repayment may at the expense of the Company cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in the City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company.

SECTION 1004. *Statement by Officers as to Default.*

The Company will deliver to the Trustee, within 90 days after the end of each fiscal year of the Company ending after the date hereof, an Officer's Certificate, complying with Section 314(a)(4) of the Trust Indenture Act, stating whether or not to the best knowledge of the signers thereof the Company is in default in the performance

and observance of any of the terms, provisions and conditions of this Indenture (without regard to any period of grace or requirement of notice provided hereunder) and, if the Company shall be in default, specifying all such defaults and the nature and status thereof of which they may have knowledge.

SECTION 1005. *Existence.*

Subject to Article Eight, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises; *provided*, *however*, that the Company shall not be required to preserve any such right or franchise if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and that the loss thereof is not disadvantageous in any material respect to the Holders; *provided further that*, for the avoidance of doubt, a conversion of the Company pursuant to Section 803 hereof shall not result in a breach of this Section 1005.

SECTION 1006. *Limitation on Liens.*

So long as any of the Securities remains outstanding, the Parent Guarantor will not, nor will it permit any Restricted Subsidiary to, create, assume, guarantee or suffer to exist any Encumbrance on any of its Principal Plants or on any capital stock of any Restricted Subsidiary without effectively providing that the Securities shall be secured by the security for such secured indebtedness equally and ratably therewith, *provided*, *however*, the above limitation does not apply to:

(a) purchase money liens, so long as such liens attach only to the assets so acquired and improvements thereon;

(b) Encumbrances existing at the time of acquisition of property (including through merger or consolidation) or securing indebtedness the proceeds of which are used to pay or reimburse the Parent Guarantor or a Restricted Subsidiary for the cost of such property (provided such indebtedness is incurred within 180 days after such acquisition);

(c) Encumbrances on property of a Restricted Subsidiary existing at the time it becomes a Restricted Subsidiary;

(d) Encumbrances to secure the cost of development or construction of property, or improvements thereon, *provided* that the recourse of the creditors in respect of such indebtedness is limited to such property and improvements;

(e) Encumbrances in connection with the acquisition or construction of Principal Plants or additions thereto financed by tax-exempt securities;

(f) Encumbrances securing indebtedness owing to the Parent Guarantor or a Restricted Subsidiary by a Restricted Subsidiary;

(g) Encumbrances existing at the date of the Indenture;

(h) Encumbrances required in connection with state or local governmental programs which provide financial or tax benefits, provided the obligations secured are in lieu of or reduce an obligation that would have been secured by an Encumbrance permitted under the Indenture;

(i) any Encumbrance arising by operation of law and not securing amounts more than ninety (90) days overdue or otherwise being contested in good faith;

(j) judgment Encumbrances not giving rise to an Event of Default;

(k) any Encumbrance incurred or deposits made in the ordinary course of business, including, but not limited to, (i) any mechanics', materialmen's, carriers', workmen's, vendors' or other like Encumbrances, (ii) any Encumbrances securing amounts in connection with workers' compensation, unemployment insurance and other types of social security, and (iii) any easements, rights-of-way, restrictions and other similar charges;

(l) any Encumbrance upon specific items of inventory or other goods and proceeds of the Parent Guarantor or any Restricted Subsidiary securing the Parent Guarantor's or any such Restricted Subsidiary's obligations in respect of bankers' acceptances issued or created for the account of such person to facilitate the purchase, shipment or storage of such inventory or other goods;

(m) any Encumbrance incurred or deposits made securing the performance of tenders, bids, leases, statutory obligations, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of like nature incurred in the ordinary course of business;

(n) any Encumbrance on any Principal Plant of the Parent Guarantor or any Restricted Subsidiary in favor of the Federal Government of the United States or the government of any State thereof, or the government of the United Kingdom, or any state in, or former state of, the European Union, or any instrumentality of any of them, securing the obligations of the Parent Guarantor or any Restricted Subsidiary pursuant to any contract or payments owed to such entity pursuant to applicable laws, rules, regulations or statutes;

(o) any Encumbrance securing taxes or assessments or other applicable governmental charges or levies;

(p) extensions, renewals or replacements of the Encumbrances referred to in clauses (a) through (o), *provided* that the amount of indebtedness secured by such extension, renewal or replacement shall not exceed the principal amount of indebtedness being extended, renewed or replaced, together with the amount of any premiums, fees, costs and expenses associated with such extension, renewal or replacement, nor shall the pledge, mortgage or lien be extended to any additional Principal Plant unless otherwise permitted under this covenant;

(q) as permitted under the provisions described in the following two paragraphs herein; and

(r) in connection with sale-leaseback transactions permitted under the Indenture.

Notwithstanding the provisions described in the immediately preceding paragraph, the Parent Guarantor or any Restricted Subsidiary may, without rateably securing the Securities, create, assume, guarantee or suffer to exist any indebtedness which would otherwise be subject to such restrictions, and renew, extend or replace such indebtedness, provided that the aggregate amount of such indebtedness, when added to the fair market value of property transferred in sale-leaseback transactions as described in Section 1011 (computed without duplication of amount) does not at the time exceed 15% of Net-Tangible Assets.

If the Parent Guarantor or any Restricted Subsidiary merges or consolidates with, or purchases all or substantially all of the assets of, another corporation, or the Parent Guarantor sells all or substantially all of its assets to another corporation, and if such other corporation has outstanding obligations secured by an Encumbrance which, by reason of an after-acquired property clause or similar provision, would extend to any Principal Plant owned by the Parent Guarantor or such Restricted Subsidiary immediately prior thereto, the Parent Guarantor or such Restricted Subsidiary, as the case may be, will in such event be deemed to have created an Encumbrance, within the prohibition of the covenant described above, unless (a) such merger or consolidation involving a Restricted Subsidiary constitutes a disposition by the Parent Guarantor of its interest in the Restricted Subsidiary or (b) (i) at or prior to the effective date of such merger, consolidation, sale or purchase such Encumbrance shall be released of record or otherwise satisfied to the extent it would extend to such Principal Plant, (ii) prior thereto, the Parent Guarantor or such Restricted Subsidiary shall have created, as security for the Securities (and, if the Parent Guarantor shall so determine, as security for any other indebtedness of the Parent Guarantor then existing or thereafter created ranking equally with the Securities and any other indebtedness of such Restricted Subsidiary then existing or thereafter created), a valid Encumbrance which will rank equally and ratably with the Encumbrances of such other corporation on such Principal Plant of the Parent Guarantor or such Restricted Subsidiary, as the case may be, or (iii) such Encumbrance is otherwise permitted or complies with the Covenant described above.

SECTION 1007. *Sale-Leaseback Transactions.*

(a) Except to the extent permitted under paragraph (c) below, and except for any transaction involving a lease for a temporary period, not to exceed three years, by the end of which it is intended that the use of the leased property by the Parent Guarantor or any Restricted Subsidiary will be discontinued and except for any transaction with a state or local authority that is required in connection with any program, law, statute or regulation that provides financial or tax benefits not available without such transaction, the Parent Guarantor shall not sell any Principal Plant as an entirety, or any substantial portion thereof, with the intention of taking back a lease of such property and the Parent Guarantor will not permit any Restricted Subsidiary to sell to anyone other than the Parent Guarantor or a Restricted Subsidiary any Principal Plant as an entirety, or any substantial portion thereof, with the intention of taking back a lease of such property unless:

(i) the net proceeds of such sale (including any purchase money mortgages received in connection with such sale) are at least equal to the fair market value (as determined by an officer of the Parent Guarantor) of such property and

(ii) subject to paragraph (d) below, the Parent Guarantor shall, within 120 days after the transfer of title to such property (or, if the Parent Guarantor holds the net proceeds described below in cash or cash equivalents, within two years)

(A) purchase, and surrender to the Trustee for retirement as provided in this covenant, a principal amount of Securities equal to the net proceeds derived from such sale (including the amount of any such purchase money mortgages), or

(B) repay other *pari passu* indebtedness of the Parent Guarantor or any Restricted Subsidiary in an amount equal to such net proceeds, or

(C) expend an amount equal to such net proceeds for the expansion, construction or acquisition of a Principal Plant, or

(D) effect a combination of such purchases, repayments and plant expenditures in an amount equal to such net proceeds.

(b) At or prior to the date 120 days after a transfer of title to a Principal Plant which shall be subject to the requirements of this covenant, the Parent Guarantor shall furnish to the Trustee:

(i) an Officer's Certificate stating that paragraph (a) of this covenant has been complied with and setting forth in detail the manner of such compliance, which certificate shall contain information as to

(A) the amount of Securities theretofore redeemed and the amount of Securities theretofore purchased by the Parent Guarantor and cancelled by the Trustee and the amount of Securities purchased by the Parent Guarantor and then being surrendered to the Trustee for cancellation,

(B) the amount thereof previously credited under paragraph (d) below,

(C) the amount thereof which it then elects to have credited on its obligation under paragraph (d) below, and

(D) any amount of other indebtedness which the Parent Guarantor has repaid or will repay and of the expenditures which the Parent Guarantor has made or will make in compliance with its obligation under paragraph (a), and

(ii) if applicable, a deposit with the Trustee for cancellation of the Securities then being surrendered as set forth in such certificate.

(c) Notwithstanding the restriction of paragraph (a), the Parent Guarantor and any one or more Restricted Subsidiaries may transfer property in sale-leaseback transactions which would otherwise be subject to such restriction if the aggregate principal amount of the fair market value of the property so transferred and not reacquired at such time, when added to the aggregate amount of indebtedness for borrowed money permitted by the last paragraph of the covenant described under "—Limitation on Liens" which shall be outstanding at the time (computed without duplication of the value of property transferred as provided in this paragraph (c)), does not at the time exceed 15% of Net Tangible Assets.

(d) The Parent Guarantor, at its option, shall be entitled to a credit, in respect of its obligation to purchase and retire Securities under this covenant, for the principal amount of any Securities deposited with the Trustee for the purpose and also for the principal amount of (i) any Securities theretofore redeemed at the option of the Parent Guarantor and (ii) any Securities previously purchased by the Parent Guarantor and cancelled by the Trustee, and in each case not theretofore applied as a credit under this paragraph (d) or as part of a sinking fund arrangement for the Securities**.**

(e) For purposes of this covenant, the amount or the principal amount of Securities which are issued with original issue discount shall be the principal amount of such Securities that on the date of the purchase or redemption of such Securities referred to in this covenant could be declared to be due and payable pursuant to the Indenture.

SECTION 1008. *Waiver of Certain Covenants.*

Except as otherwise specified as contemplated by Section 301 for Securities of such series, the Company may, with respect to the Securities of any series, omit in any particular instance to comply with any term, provision or condition set forth in any covenant provided pursuant to Section 301(18), 901(3), 901(9), 1006 or 1007 for the benefit of the Holders of such series if before the time for such compliance the Holders of at least a majority in principal amount of the Outstanding Securities of such series shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition, but no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and effect.

SECTION 1009. *Additional Amounts.*

Unless otherwise specified in any Board Resolution of the Company or the relevant Guarantor establishing the terms of Securities of a series or the Guarantees relating thereto in accordance with Section 301, in the event that a Guarantor becomes obligated under this Indenture to make payments in respect of the Securities, such Guarantor will make all payments in respect of the Securities without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction at source by or on behalf of any jurisdiction in which such Guarantor is incorporated, organized, or otherwise tax resident

or any political subdivision or any authority thereof or therein having power to tax (the "Relevant Taxing Jurisdiction") unless such withholding or deduction is required by law. In such event, such Guarantor will pay to the Holders such additional amounts (the "Additional Amounts") as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction, shall equal the respective amounts of principal and interest which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

(a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Guarantor from payment of principal or interest made by it; or

(b) are payable by reason of the Holder or beneficial owner having, or having had, some personal or business connection with such Relevant Taxing Jurisdiction and not merely by reason of the fact that payments in respect of the Securities or the Guarantees are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in the Relevant Taxing Jurisdiction; or

(c) are imposed or withheld by reason of the failure of the Holder or beneficial owner to provide certification, information, documents or other evidence concerning the nationality, residence, or identity of the Holder and beneficial owner or to make any valid or timely declaration or similar claim or satisfy any other reporting requirements relating to such matters, whether required or imposed by statute, treaty, regulation or administrative practice, as a precondition to exemption from, or a reduction in the rate of withholding or deduction of such taxes; or

(d) consist of any estate, inheritance, gift, sales, excise, transfer, personal property or similar taxes, or

(e) are imposed on or with respect to any payment by the applicable Guarantor to the registered Holder if such Holder is a fiduciary or partnership or any person other than the sole beneficial owner of such payment to the extent that taxes would not have been imposed on such payment had such registered Holder been the sole beneficial owner of such Security; or

(f) are deducted or withheld pursuant to (i) any European Union directive or regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Relevant Taxing Jurisdiction or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such directive, regulation, treaty or understanding; or

(g) are payable by reason of a change in law or practice that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or is duly provided for and written notice thereof is provided to the Holders, whichever occurs later; or

(h) are payable because any Security was presented to a particular paying agent for payment if the Security could have been presented to another paying agent without any such withholding or deduction; or

(i) are payable for any combination of (a) through (h) above.

In addition, any amounts to be paid by the Company or any Guarantor on the Securities will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code ("FATCA Withholding"). Neither any Guarantor nor the Company will be required to pay Additional Amounts on account of any FATCA Withholding.

Such payment of Additional Amounts may be subject to such further exceptions as may be established in the terms of such Securities established as contemplated by Section 301. Subject to the foregoing provisions, whenever in this Indenture there is mentioned, in any context, the payment of the principal of or any premium or interest on, or in respect of, any Security of any series or the net proceeds received on the sale or exchange of any Security of any series, such mention shall be deemed to include mention of the payment of Additional Amounts provided for in this Section to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof pursuant to the provisions of this Section and express mention of the payment of Additional Amounts (if applicable) in any provisions hereof shall not be construed as excluding Additional Amounts in those provisions hereof where such express mention is not made, *provided, however,* that the covenant regarding Additional Amounts provided for in this Section shall not apply to any Guarantor at any time when such Guarantor is incorporated in a jurisdiction in the United States; *provided further* that the covenant regarding Additional Amounts provided for in this Section shall apply to the Company at any time when it is incorporated in a jurisdiction outside of the United States.

If the terms of the Securities of a series established as contemplated by Section 301 do not specify that Additional Amounts will not be payable by the Company or a Guarantor, at least 10 days prior to the first Interest Payment Date with respect to that series of Securities (or if the Securities of that series will not bear interest prior to Maturity, the first day on which a payment of principal and any premium is made), and at least 10 days prior to each date of payment of principal and any premium or interest if there has been any change with respect to the matters set forth in the below-mentioned Officer's Certificate, the Company will furnish the Trustee and the Company's principal Paying Agent or Paying Agents, if other than the Trustee, with an Officer's Certificate instructing the Trustee and such Paying Agent or Paying Agents whether such payment of principal of and any premium or interest on the Securities of that series shall be made to Holders of Securities of that series without withholding for or on account of any tax, assessment or other governmental charge described in the Securities of that series. If any such withholding shall be required, then such Officer's Certificate shall specify by country the amount, if any, required to be withheld on such payments to such Holders of

Securities and the Company or Guarantor, as the case may be, will pay to the Trustee or such Paying Agent or Paying Agents the Additional Amounts required by this Section. Each of the Company and Guarantors covenant to indemnify each of the Trustee and any Paying Agent for, and to hold each of them harmless against, any loss, liability or expense arising out of or in connection with actions taken or omitted by any of them in reliance on any Officer's Certificate furnished pursuant to this Section, except to the extent that any such loss, liability or expense is due to its own negligence or bad faith.

SECTION 1010. *Additional Information.*

The Company agrees to furnish, at any time when the Company is not subject to Section 13 or 15(d) of the Exchange Act or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, in respect of any Securities sold or offered for sale pursuant to an exemption from registration under Rule 144A of the Securities Act, at its expense and upon request, to the Holders and prospective purchasers of such Securities information satisfying the requirements of subsection (d)(4) of Rule 144A under the Securities Act.

SECTION 1011. *Notice of Event of Default.*

The Company hereby covenants with the Trustee that, so long as any of the Securities remain Outstanding, it will promptly give notice in writing to the Trustee upon having knowledge (and in no event later than seven days after obtaining such knowledge) of any Event of Default.

SECTION 1012. *Indemnification of Judgment Currency.*

To the fullest extent permitted by applicable law, the Company and each of the Guarantors shall indemnify each Holder against any loss incurred by such Holder as a result of any judgment or order being given or made for any amount due under any Security or Guarantee and such judgment or order being expressed and paid in a currency (the "Judgment Currency"), which is other than U.S. dollars and as a result of any variation as between (i) the rate of exchange at which the U.S. dollar is converted into the Judgment Currency for the purposes of such judgment or order and (ii) the spot rate of exchange in The City of New York at which the Holder on the date of payment of such judgment is able to purchase U.S. dollars with the amount of the Judgment Currency actually received by such Holder. This indemnification will constitute a separate and independent obligation of the Company or each of the Guarantors, as the case may be, and will continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "spot rate of exchange" includes any premiums and costs of exchange payable in connection with the purchase of, or conversion into, U.S. dollars.

SECTION 1013. *Further Instruments and Acts*

The Company and the Parent Guarantor hereby covenant with the Trustee that, so long as any of the Securities remain Outstanding, upon request of the Trustee, but without an affirmative duty on the Trustee to do so, they and any other Guarantor shall execute and deliver such further instruments and acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

## ARTICLE ELEVEN

### REDEMPTION OF SECURITIES

SECTION 1101. *Applicability of Article.*

Securities of any series which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 301 for such Securities) in accordance with this Article.

SECTION 1102. *Election to Redeem; Notice to Trustee.*

The election of the Company or Parent Guarantor to redeem any Securities shall be evidenced by a Board Resolution or in another manner specified as contemplated by Section 301 for such Securities. In case of any redemption at the election of the Company or Parent Guarantor of the Securities of any series in whole or in part (including any such redemption affecting only a single Security), the Company or Parent Guarantor shall, at least 60 days prior to the Redemption Date fixed by the Company or the Parent Guarantor (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date, of the principal amount of Securities of such series to be redeemed and, if applicable, of the tenor of the Securities to be redeemed. In the case of any redemption of Securities (a) prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture, or (b) pursuant to an election of the Company which is subject to a condition specified in the terms of such Securities or elsewhere in this Indenture, the Company shall furnish the Trustee with an Officer's Certificate evidencing compliance with such restriction or condition.

SECTION 1103. *Selection by Trustee of Securities to Be Redeemed.*

If less than all the Securities of any series are to be redeemed (unless all the Securities of such series and of a specified tenor are to be redeemed or unless such redemption affects only a single Security), the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by such method as the Trustee in its sole discretion shall deem fair and appropriate and which may provide for the selection for redemption of a portion of the principal amount of any Security of such series, except that if the Securities of such series are listed on any securities exchange, any such selection and redemption of the Securities shall be in compliance with the requirements of the principal securities exchange on which those Securities are listed (as such requirements shall be specified to the Trustee in an Officer's Certificate from the Company), except that if the Securities of such series are represented by one or more Global Securities, interests in such Securities shall be selected for redemption by the Depositary in accordance with its customary procedures therefor, and *provided* that the unredeemed portion of the principal amount of any Security shall be in an authorized denomination (which shall not be less than the minimum authorized denomination) for such Security. If less than all the Securities of such series and of a specified tenor are to be redeemed (unless such redemption affects only a single Security), the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series and specified tenor not previously called for redemption in accordance with the preceding sentence.

The Trustee shall promptly notify the Company in writing of the Securities selected for redemption as aforesaid and, in case of any Securities selected for partial redemption as aforesaid, the principal amount thereof to be redeemed.

The provisions of the two preceding paragraphs shall not apply with respect to any redemption affecting only a single Security, whether such Security is to be redeemed in whole or in part. In the case of any such redemption in part, the unredeemed portion of the principal amount of the Security shall be in an authorized denomination (which shall not be less than the minimum authorized denomination) for such Security.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

SECTION 1104. *Notice of Redemption.*

Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the Redemption Date, unless a shorter period is specified in the Securities to be redeemed, to each Holder of Securities to be redeemed, at his address appearing in the Security Register.

All notices of redemption shall state:

(1) the Redemption Date,

(2) the Redemption Price or if not then ascertainable, the manner of calculation thereof,

(3) if less than all the Outstanding Securities of any series consisting of more than a single Security are to be redeemed, the identification (and, in the case of partial redemption of any such Securities, the principal amounts) of the particular Securities to be redeemed and, if less than all the Outstanding Securities of any series consisting of a single Security are to be redeemed, the principal amount of the particular Security to be redeemed;

(4) that on the Redemption Date the Redemption Price will become due and payable upon each such Security to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date;

(5) the place or places where each such Security is to be surrendered for payment of the Redemption Price;

(6) applicable CUSIP numbers, if any; and

(7) that the redemption is for a sinking fund, if such is the case.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company; *provided*, *however*, that the Company shall have delivered to the Trustee, at least 45 days prior to the Redemption Date (or such

shorter period as may be satisfactory to the Trustee), an Officer's Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided above. Any notice of redemption pursuant to this Section shall be irrevocable.

SECTION 1105. *Deposit of Redemption Price.*

By 10:00 am (London time) at least one Business Day prior to any Redemption Date, the Company or the Parent Guarantor shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all the Securities which are to be redeemed on that date.

SECTION 1106. *Securities Payable on Redemption Date.*

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Securities shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid by the Company at the Redemption Price, together with accrued interest to the Redemption Date; *provided*, *however*, that, unless otherwise specified as contemplated by Section 301, installments of interest whose Stated Maturity is on or prior to the Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 307.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal and any premium shall, until paid, bear interest from the Redemption Date at the rate prescribed therefor in the Security.

SECTION 1107. *Securities Redeemed in Part.*

Any Security which is to be redeemed only in part shall be surrendered at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of the same series and of like tenor with the Guarantee or Guarantee endorsed therein, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

## ARTICLE TWELVE

### SINKING FUNDS

SECTION 1201. *Applicability of Article.*

The provisions of this Article shall be applicable to any sinking fund for the retirement of Securities of a series except as otherwise specified as contemplated by Section 301 for Securities of such series.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is herein referred to as a "mandatory sinking fund payment", and any payment in excess of such minimum amount provided for by the terms of Securities of any series is herein referred to as an "optional sinking fund payment". If provided for by the terms of Securities of any series, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 1202. Each sinking fund payment shall be applied to the redemption of Securities of any series as provided for by the terms of Securities of such series.

SECTION 1202. *Satisfaction of Sinking Fund Payments with Securities.*

The Company or Parent Guarantor (1) may deliver Outstanding Securities of a series (other than any previously called for redemption) and (2) may apply as a credit Securities of a series which have been redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any sinking fund payment with respect to any Securities of such series required to be made pursuant to the terms of such Securities as and to the extent provided for by the terms of such Securities; *provided* that the Securities to be so credited have not been previously so credited. The Securities to be so credited shall be received and credited for such purpose by the Trustee at the Redemption Price, as specified in the Securities so to be redeemed, for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

SECTION 1203. *Redemption of Securities for Sinking Fund.*

Not less than 45 days prior to each sinking fund payment date for any Securities, the Company will deliver to the Trustee an Officer's Certificate specifying the amount of the next ensuing sinking fund payment for such Securities pursuant to the terms of such Securities, the portion thereof, if any, which is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by delivering and crediting Securities pursuant to Section 1202 and the basis for such credit and will also deliver to the Trustee any Securities to be so delivered. Not less than 30 days prior to each such sinking fund payment date, the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 1103 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 1104. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 1106 and 1107.

## ARTICLE THIRTEEN

### DEFEASANCE AND COVENANT DEFEASANCE

SECTION 1301. *Company's and the Parent Guarantor's Option to Effect Defeasance or Covenant Defeasance.*

The Company or the Parent Guarantor may elect, at its option at any time, to have Section 1302 or Section 1303 applied to any Securities or any series of Securities, as the case may be, designated pursuant to Section 301 as being defeasible pursuant to such Section 1302 or 1303, in accordance with any applicable requirements provided pursuant to Section 301 and upon compliance with the conditions set forth below in this Article. Any such election shall be evidenced by a Board Resolution or in another manner specified as contemplated by Section 301 for such Securities.

SECTION 1302. *Defeasance and Discharge.*

Upon the Company's or the Parent Guarantor's exercise of its option (if any) to have this Section applied to any Securities or any series of Securities, as the case may be, each of the Company and the Guarantors shall be deemed to have been discharged from its obligations with respect to such Securities as provided in this Section on and after the date the conditions set forth in Section 1304 are satisfied (hereinafter called "Defeasance"). For this purpose, such Defeasance means that the Company and the Guarantors shall be deemed to have paid and discharged the entire indebtedness represented by such Securities and to have satisfied all its other obligations under such Securities and this Indenture insofar as such Securities are concerned (and the Trustee, at the expense of the Company or the Parent Guarantor, shall execute proper instruments acknowledging the same), subject to the following which shall survive until otherwise terminated or discharged hereunder: (1) the rights of Holders of such Securities to receive, solely from the trust fund described in Section 1304 and as more fully set forth in such Section, payments in respect of the principal of and any premium and interest on such Securities when payments are due, (2) the Company's or the Guarantors' obligations with respect to such Securities under Sections 304, 305, 306, 1002 and 1003, (3) the rights, powers, trusts, duties and immunities of the Trustee hereunder and (4) this Article. Subject to compliance with this Article, the Company and the Parent Guarantor may exercise their option (if any) to have this Section applied to any Securities notwithstanding the prior exercise of its option (if any) to have Section 1303 applied to such Securities.

SECTION 1303. *Covenant Defeasance.*

Upon the Company's or the Parent Guarantor's exercise of its option (if any) to have this Section applied to any Securities or any series of Securities, as the case may be, (1) the Company and the Guarantors shall be released from their obligations under Section 801(2), Sections 1006 through 1007, inclusive, and any covenants provided pursuant to Section 301(18), 901(3) or 901(9) for the benefit of the Holders of such Securities and (2) the occurrence of any event specified in Sections 501(3) (with respect to any of Section 801(2), Sections 1006 through 1007, inclusive, and any such covenants provided pursuant to Section 301(18), 901(3) or 901 (9)) and 501(4) shall be deemed not to be or result in an Event of Default, in each case with respect to such Securities as provided in this Section on and after the date the conditions set forth in Section 1304 are satisfied (hereinafter called "Covenant Defeasance"). For this purpose, such Covenant Defeasance means that, with respect to such Securities, the Company and the Guarantor may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such specified Section (to the extent so specified in the case of

Section 501(3)), whether directly or indirectly by reason of any reference elsewhere herein to any such Section or Article or by reason of any reference in any such Section or Article to any other provision herein or in any other document, but the remainder of this Indenture and such Securities shall be unaffected thereby.

SECTION 1304. *Conditions to Defeasance or Covenant Defeasance.*

The following shall be the conditions to the application of Section 1302 or Section 1303 to any Securities or any series of Securities, as the case may be:

(1) The Company or the Parent Guarantor shall irrevocably have deposited or caused to be deposited with the Trustee (or another trustee which satisfies the requirements contemplated by Section 609 and agrees to comply with the provisions of this Article applicable to it) as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefits of the Holders of such Securities, (A) money in an amount, or (B) U.S. Government Obligations which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment, money in an amount, or (C) a combination thereof, in each case sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee (or any such other qualifying trustee) to pay and discharge, the principal of and any premium and interest on such Securities on the respective Maturities, in accordance with the terms of this Indenture and such Securities, provided that the Company shall specify whether such Securities are being defeased to Stated Maturity or to the Redemption Date. As used herein, "U.S. Government Obligation" means any security which is (i) a direct obligation of the United States of America for the payment of which the full faith and credit of the United States of America is pledged or (ii) an obligation of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case (i) or (ii), is not callable or redeemable at the option of the issuer thereof.

(2) In the event of an election to have Section 1302 apply to any Securities or any series of Securities, as the case may be, the Company or the Parent Guarantor shall have delivered to the Trustee an Opinion of Counsel stating that (A) the Company or the Parent Guarantor has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date of this instrument, there has been a change in the applicable U.S. Federal income tax law, in either case (A) or (B) to the effect that, and based thereon such opinion shall confirm that, the Holders of such Securities will not recognize gain or loss for U.S. Federal income tax purposes as a result of the deposit, Defeasance and discharge to be effected with respect to such Securities and will be subject to Federal income tax on the same amount, in the same manner and at the same times as would be the case if such deposit, Defeasance and discharge were not to occur.

(3) In the event of an election to have Section 1303 apply to any Securities or any series of Securities, as the case may be, the Company or the Parent Guarantor shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders of such Securities will not recognize gain or loss for U.S. Federal income tax purposes as a result of the deposit and Covenant Defeasance to be effected with respect to such Securities and will be subject to U.S. Federal income tax on the same amount, in the same manner and at the same times as would be the case if such deposit and Covenant Defeasance were not to occur.

(4) The Company or the Parent Guarantor shall have delivered to the Trustee an Officer's Certificate to the effect that neither such Securities nor any other Securities of the same series, if then listed on any securities exchange, will be delisted as a result of such deposit.

(5) The Company or the Parent Guarantor shall have delivered to the Trustee for cancellation all Securities Outstanding theretofore authenticated.

(6) No event which is, or after notice or lapse of time or both would become, an Event of Default with respect to such Securities or any other Securities shall have occurred and be continuing at the time of such deposit or, with regard to any such event specified in Sections 501(5) and (6), at any time on or prior to the 90th day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until after such 90th day).

(7) Such Defeasance or Covenant Defeasance shall not cause the Trustee to have a conflicting interest within the meaning of the Trust Indenture Act (assuming all Securities are in default within the meaning of such Act).

(8) Such Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company or the Parent Guarantor is a party or by which it is bound.

(9) Such Defeasance or Covenant Defeasance shall not result in the trust arising from such deposit constituting an investment Company within the meaning of the Investment Company Act unless such trust shall be registered under such Act or exempt from registration thereunder.

(10) The Company or the Parent Guarantor shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent with respect to such Defeasance or Covenant Defeasance have been complied with.

SECTION 1305. *Deposited Money and U.S. Government Obligations to Be Held in Trust; Miscellaneous Provisions.*

Subject to the provisions of the last paragraph of Section 1003, all money and U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee or other qualifying trustee (solely for purposes of this Section and Section 1306, the Trustee and any such other trustee are referred to collectively as the "Trustee") pursuant to Section 1304 in respect of any Securities shall be held in trust and applied by the

Trustee, in accordance with the provisions of such Securities and this Indenture, to the payment, either directly or through any such Paying Agent (including the Company or a Guarantor acting as its own Paying Agent) as the Trustee may determine, to the Holders of such Securities, of all sums due and to become due thereon in respect of principal and any premium and interest, but money so held in trust need not be segregated from other funds except to the extent required by law.

The Company and the Parent Guarantor shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the U.S. Government Obligations deposited pursuant to Section 1304 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of Outstanding Securities.

Anything in this Article to the contrary notwithstanding, the Trustee shall deliver or pay to the Company or the Parent Guarantor from time to time upon Company Request any money or U.S. Government Obligations held by it as provided in Section 1304 with respect to any Securities which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of the amount thereof which would then be required to be deposited to effect the Defeasance or Covenant Defeasance, as the case may be, with respect to such Securities.

SECTION 1306. *Reinstatement.*

If the Trustee or the Paying Agent is unable to apply any money in accordance with this Article with respect to any Securities by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the obligations under this Indenture and such Securities from which the Company and the Guarantors have been discharged or released pursuant to Section 1302 or 1303 shall be revived and reinstated as though no deposit had occurred pursuant to this Article with respect to such Securities, until such time as the Trustee or Paying Agent is permitted to apply all money held in trust pursuant to Section 1305 with respect to such Securities in accordance with this Article; *provided*, *however*, that if the Company or the Guarantors make any payment of principal of or any premium or interest on any such Security following such reinstatement of its obligations, the Company and the Guarantors shall be subrogated to the rights (if any) of the Holders of such Securities to receive such payment from the money so held in trust.

SECTION 1307. *Qualifying Trustee*

Any trustee appointed pursuant to Section 1304 for the purpose of holding trust funds deposited pursuant to that Section shall be appointed under an agreement in form acceptable to the Trustee and shall provide to the Trustee a certificate of such trustee, upon which certificate the Trustee shall be entitled to conclusively rely, that all conditions precedent provided for herein to the related Defeasance or Covenant Defeasance have been complied with. In no event shall the Trustee be liable for any acts or omissions of said trustee.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed all as of the day and year first above written.

ANHEUSER-BUSCH INBEV FINANCE INC.
as Company

By: /s/ Craig Katerberg
Name: Craig Katerberg
Title: Authorized Officer

ANHEUSER-BUSCH INBEV NV/SA
as Parent Guarantor

By: /s/ Ann Randon
Name: Ann Randon
Title: Authorized Officer

By: /s/ Liesbeth Hellemans
Name: Liesbeth Hellemans
Title: Authorized Officer

THE BANK OF NEW YORK MELLON, TRUST COMPANY, N.A.,
as Trustee

By: /s/ Lawrence Dillard
Name: Lawrence Dillard
Title: Vice President

[*ABIFI 2012 Base Indenture Signature Page*]

ANHEUSER-BUSCH INBEV WORLDWIDE INC.
as Subsidiary Guarantor

By: /s/ Craig Katerberg
Name: Craig Katerberg
Title: Authorized Officer

ANHEUSER-BUSCH COMPANIES, LLC
As Subsidiary Guarantor

By: /s/ Craig Katerberg
Name: Craig Katerberg
Title: Authorized Officer

COBREW NV
as Subsidiary Guarantor

By: /s/ Liesbeth Hellemans
Name: Liesbeth Hellemans
Title: Authorized Officer

BRANDBREW SA
as Subsidiary Guarantor

By: /s/ Christine Delhaye
Name: Christine Delhaye
Title: Authorized Officer

BRANDBEV S.À R.L.
as Subsidiary Guarantor

By: /s/ Christine Delhaye
Name: Christine Delhaye
Title: Authorized Officer

FORM OF CERTIFICATE OF TRANSFER

Anheuser-Busch InBev Finance Inc.
attn: Treasurer
250 Park Avenue, New York, New York 10177
USA

Anheuser-Busch InBev NV/SA
Brouwerijplein 1, 3000
Leuven, Belgium

The Bank of New York Mellon Trust Company, N.A.
911 Washington Ave, 3rd Floor
St. Louis, Missouri 63101,
USA

Re: [Title of Securities]

Reference is hereby made to the Indenture, dated as of January 17, 2013 (as supplemented to the date hereof, the "*Indenture*"), among Anheuser-Busch InBev Finance Inc., as issuer (the "Company"), Anheuser-Busch InBev NV/SA, as parent guarantor (the "Parent Guarantor), the Subsidiary Guarantors party thereto from time to time and The Bank of New York Mellon Trust Company, N.A., as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

, (the "*Transferor*") owns and proposes to transfer the [Security][Securities] or beneficial interest in such [Security] [Securities] specified in Exhibit 1 hereto, in the principal amount of $ (the "*Transfer*"), to (the "*Transferee*"), as further specified in Exhibit 1 hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. ☐ **Check if Transferee will take delivery of a beneficial interest in the Global Security or a Certificated Security Pursuant to Rule 144A**. The Transfer is being effected pursuant to and in accordance with Rule 144A under the Securities Act of 1933, as amended (the "*Securities Act*"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Certificated Security is being transferred to a Person that the Transferor reasonably believed and believes is purchasing the beneficial interest or Certificated Security for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Certificated Security will be subject to the restrictions on transfer enumerated in the applicable legend printed on the Global Security and/or the Certificated Security pursuant to Rule 144A and in the Indenture and the Securities Act.

2. ☐ **Check if Transferee will take delivery of a beneficial interest in the Global Security or a Certificated Security pursuant to Regulation S**. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a Person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the 40-day "Distribution Compliance Period" under Regulation S, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than a "Distributor" as defined in Rule 902 of Regulation S) and the transferred beneficial interest will be held immediately after such Transfer through Euroclear or Clearstream. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Certificated Security will be subject to the restrictions on transfer enumerated in the applicable legend printed on the Global Security and/or the Certificated Security and in the Indenture and the Securities Act.

3. ☐ **Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Security or of an Unrestricted Certificated Security**.

(a) ☐ **Check if Transfer is pursuant to Rule 144**. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the applicable legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Certificated Security will no longer be subject to the restrictions on transfer enumerated in the applicable legend printed on the Restricted Global Securities, on Restricted Certificated Securities and in the Indenture.

(b) ☐ **Check if Transfer is Pursuant to Regulation S**. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the applicable legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Certificated Security will no longer be subject to the restrictions on transfer enumerated in the applicable legend printed on the Restricted Global Securities, on Restricted Certificated Securities and in the Indenture.

(c) ☐ **Check if Transfer is Pursuant to an Effective Registration Statement.** The Transfer is being effected in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act.

(d) ☐ **Check if Transfer is Pursuant to Other Exemption**. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the applicable legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Certificated Security will not be subject to the restrictions on transfer enumerated in the applicable legend printed on the Restricted Global Securities or Restricted Certificated Securities and in the Indenture.

4. ☐ **Check if Transfer is to the Company or any of its Subsidiaries.** The transfer is being effected in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company and the Guarantors.

_____
[Insert Name of Transferor]

By:_____
Name:
Title:

Dated:_____

EXHIBIT 1 TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) ☐ a beneficial interest in the:

(i) ☐ Global Security offered and sold pursuant to Rule 144A (CUSIP ), or

(ii) ☐ Global Security offered and sold pursuant to Regulation S (CUSIP )

(b) ☐ a Restricted Certificated Security.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) ☐ a beneficial interest in the:

(i) ☐ Global Security offered and sold pursuant to Rule 144A (CUSIP ), or

(ii) ☐ Global Security offered and sold pursuant to Regulation S (CUSIP ), or

(iii) ☐ Unrestricted Global Security (CUSIP ); or

(b) ☐ a Restricted Certificated Security; or

(c) ☐ an Unrestricted Certificated Security, in accordance with the terms of the Indenture.

Annex B

FORM OF CERTIFICATE OF EXCHANGE

Anheuser-Busch InBev Finance Inc.
attn: Treasurer
250 Park Avenue, New York, New York 10177
USA

Anheuser-Busch InBev NV/SA
Brouwerijplein 1, 3000
Leuven, Belgium

The Bank of New York Mellon Trust Company, N.A.
911 Washington Ave, 3rd Floor
St. Louis, Missouri 63101,
USA

Re: [Title of Securities]

Reference is hereby made to the Indenture, dated as of January 17, 2013 (as supplemented to the date hereof, the "*Indenture*"), among Anheuser-Busch InBev Finance Inc., as issuer (the "Company"), Anheuser-Busch InBev NV/SA, as parent guarantor (the "Parent Guarantor), the Subsidiary Guarantors party thereto from time to time and The Bank of New York Mellon Trust Company, N.A., as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

, (the "*Owner*") owns and proposes to exchange the Note[s] or beneficial interest in such Note[s] specified herein, in the principal amount of $ (the "*Exchange*"). In connection with the Exchange, the Owner hereby certifies that:

1. **Exchange of Restricted Certificated Securities or Beneficial Interests in a Restricted Global Security for Unrestricted Certificated Securities or Beneficial Interests in an Unrestricted Global Security**

(a) ☐ **Check if Exchange is from beneficial interest in a Restricted Global Security to beneficial interest in an Unrestricted Global Security**. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Security for a beneficial interest in an Unrestricted Global Security in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Securities and pursuant to and in accordance with the Securities Act of 1933, as amended (the "*Securities Act*"), (iii) the restrictions on transfer contained in the Indenture and the applicable legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Security is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) ☐ **Check if Exchange is from beneficial interest in a Restricted Global Security to Unrestricted Certificated Security**. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Security for an Unrestricted Certificated Security, the Owner hereby certifies (i) the Certificated Security is being

acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Securities and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the applicable legend are not required in order to maintain compliance with the Securities Act and (iv) the Certificated Security is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c) ☐ **Check if Exchange is from Restricted Certificated Security to beneficial interest in an Unrestricted Global Security**. In connection with the Owner's Exchange of a Restricted Certificated Security for a beneficial interest in an Unrestricted Global Security, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Certificated Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the applicable legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) ☐ **Check if Exchange is from Restricted Certificated Security to Unrestricted Certificated Security**. In connection with the Owner's Exchange of a Restricted Certificated Security for an Unrestricted Certificated Security, the Owner hereby certifies (i) the Unrestricted Certificated Security is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Certificated Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the applicable legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Certificated Security is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. **Exchange of Restricted Certificated Notes or Beneficial Interests in Restricted Global Securities for Restricted Certificated Securities or Beneficial Interests in Restricted Global Securities**

(a) ☐ **Check if Exchange is from beneficial interest in a Restricted Global Security to Restricted Certificated Security.** In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Security for a Restricted Certificated Security with an equal principal amount, the Owner hereby certifies that the Restricted Certificated Security is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Certificated Security issued will continue to be subject to the restrictions on transfer enumerated in the applicable legend printed on the Restricted Certificated Security and in the Indenture and the Securities Act.

(b) ☐ **Check if Exchange is from Restricted Certificated Security to beneficial interest in a Restricted Global Security**. In connection with the Exchange of the Owner's Restricted Certificated Security for a beneficial interest in the [CHECK ONE] ☐ Global Note offered and sold pursuant to Rule 144A, ☐ Global Note offered and sold pursuant to Regulation S, with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions

applicable to the Restricted Global Securities and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the applicable legend printed on the relevant Restricted Global Security and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company and the Guarantors.

_____
[Insert Name of Transferor]

By:_____
Name:
Title:

Dated:_____

**Exhibit 4.14**

CONFIDENTIAL TREATMENT REQUESTED BY ANHEUSER-BUSCH INBEV SA/NV
[****] Indicates that certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

**CLIFFORD CHANCE LLP**

EXECUTION COPY

20 JUNE 2012

FOR

ANHEUSER-BUSCH INBEV SA/NV

AND

ANHEUSER-BUSCH INBEV WORLDWIDE INC.

AND

COBREW NV/SA

WITH

FORTIS BANK SA/NV

ACTING AS AGENT

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# US$14,000,000,000
# FACILITIES AGREEMENT

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**CONTENTS**

**THIS AGREEMENT** is dated 20 June 2012 and made

**BETWEEN:**

(1) **ANHEUSER-BUSCH INBEV SA/NV**, a *naamloze vennootschap/société anonyme*, with its registered office at Grand Place 1, 1000 Brussels, registered with the Crossroads Bank of Enterprises (*Kruispuntbank voor Ondernemingen/Banque Carrefour des Entreprises*) under number 0417.497.106 (the "**Company**");

(2) **THE COMPANIES** listed in the signature pages as original borrowers (together with the Company, the "**Original Borrowers**");

(3) **BANC OF AMERICA SECURITIES LIMITED, BANCO SANTANDER S.A., BARCLAYS BANK PLC, DEUTSCHE BANK AG, LONDON BRANCH, FORTIS BANK SA/NV, ING BELGIUM SA/NV, JPMORGAN CHASE BANK, N.A., MIZUHO CORPORATE BANK, LTD, RBS SECURITIES INC., SOCIÉTÉ GÉNÉRALE, LONDON BRANCH** and **THE BANK OF TOKYO-MITSUBISHI UFJ, LTD** as mandated lead arrangers and bookrunners (whether acting individually or together, the "**Bookrunners**");

(4) **THE COMPANIES** listed in the signature pages as original guarantors (the "**Original Guarantors**");

(5) **THE FINANCIAL INSTITUTIONS** listed in Part 2 of Schedule 1 (*The Pre-Utilisation Date Parties*) as lenders (the "**Original Lenders**"); and

(6) **FORTIS BANK SA/NV** as agent of the other Finance Parties (the "**Agent**").

**IT IS AGREED** as follows:

## 1. DEFINITIONS AND INTERPRETATIONS

### 1.1 Definitions

In this Agreement:

"**ABIWW**" means Anheuser-Busch InBev Worldwide Inc., a company incorporated under the laws of Delaware, having its registered office at 1209 Orange Street, Wilmington, Delaware 19801 with company registration no 90-0421412.

"**Acceptable Bank**" means:

(a) a bank or financial institution which has a rating for its long-term unsecured and non credit enhanced debt obligations of A or higher by S&P or Fitch Ratings Ltd or A2 or higher by Moody's or a comparable rating from an internationally recognised credit rating agency; or

(b) any other bank or financial institution approved by the Agent.

"**Accession Letter**" means a document substantially in the form set out in Schedule 6 (*Form of Accession Letter*).

"**Accounting Principles**" means:

(a) in the case of the audited consolidated financial statements of the Group, IFRS; or

(b) in any other case, the generally accepted accounting principles in the jurisdiction of incorporation of the relevant person, consistently applied.

"**Acquisition**" means the acquisition, directly or indirectly, by a member of the Group of all or some of the Target Shares whether by way of merger, tender offer or other means, in each case as contemplated by the Merger Agreement (if any), the Transaction Agreement and the Tender Offer.

"**Acquisition Costs**" means all fees, costs and expenses and stamp, registration and other Taxes incurred by the Company or any other member of the Group in connection with the Acquisition (including interest hedging costs relating to the Acquisition or Finance Documents).

"**Acquisition Documents**" means the Merger Agreement (if any), the Transaction Agreement, the Tender Offer Document and any other document designated as an "Acquisition Document" by the Agent and the Company.

"**Additional Borrower**" means a company which becomes a Borrower in accordance with Clause 25 (*Changes to the Obligors*).

"**Additional Cost Rate**" has the meaning given to it in Schedule 4 (*Mandatory Cost Formula*).

"**Additional Guarantor**" means a company which becomes a Guarantor in accordance with Clause 25 (*Changes to the Obligors*).

"**Additional Obligor**" means an Additional Borrower or an Additional Guarantor.

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"**AFM**" means The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*).

"**Anheuser-Busch**" means Anheuser-Busch Companies, LLC, a company incorporated under the law of the State of Delaware, United States with registered address One Busch Place, St. Louis, Missouri 63118 with issuer number 035229.

"**Anheuser-Busch Group**" means Anheuser-Busch and its Subsidiaries from time to time.

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Availability Period**" means:

(a) in relation to the Facility A, the period from and including the date of this Agreement to and including the date falling twelve (12) Months after the date of this Agreement;

(b) in relation to the Facility B, the period from (and including) the date of this Agreement to and including the date falling twelve (12) Months after the date of this Agreement,

subject in each case, to the Borrower's option to extend the Availability Period of one or both Facilities in accordance with paragraph (d) of Clause 2.1 (*The Facilities*).

"**Available Commitment**" means, in relation to a Facility, a Lender's Commitment under that Facility minus:

(a) the amount of its participation in any outstanding Utilisations under that Facility; and

(b) in relation to any proposed Utilisation, the amount of its participation in any other Utilisations that are due to be made under that Facility on or before the proposed Utilisation Date.

"**Available Facility**" means, in relation to a Facility, the aggregate for the time being of each Lender's Available Commitment in respect of that Facility.

"**Barcelona**" means Companhia de Bebidas das Américas, a company incorporated under the laws of the Federative Republic of Brazil with registered address at AmBev, Rua Dr Renato Paes de Barros, 1017, 4° andar, 04530-001 Sao Paulo, SP, Brazil, listed on the Bovespa (Sao Paulo Stock Exchange) under the symbols AMBV3 (common shares) and AMBV4 (preferred shares).

"**Belgian Companies Code**" means the Belgian Company Code (*Code des Sociétés/Wetboek van Vennootschappen*) dated 7 May 1999, as amended from time to time.

"**Belgian Obligor**" means an Obligor that is resident in Belgium for Belgian tax purposes or that has a permanent establishment in Belgium to which the advances under the Finance Documents are effectively connected.

"**Borrower**" means an Original Borrower or an Additional Borrower unless it has ceased to be a Borrower in accordance with Clause 25 (*Changes to the Obligors*).

"**Brandbrew**" means Brandbrew S.A., a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg, with its registered office at 5, rue Gabriel Lippmann L-5365 Munsbach and registered with the Luxembourg register of commerce and companies under number B75.696.

"**Break Costs**" means the amount (if any) by which:

(a) the interest (excluding the Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in a

Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

(b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Brussels and New York and:

(a) (in relation to any date for payment or purchase of a currency other than euro) the principal financial centre of the country of that currency; or

(b) (in relation to any date for payment or purchase of euro) any TARGET Day.

"**Certain Funds Period**" means in relation to a Facility the applicable Availability Period including any extension of the Availability Period pursuant to paragraph (d) of Clause 2.1 (*The Facilities*) (or such other period as the parties may agree).

"**Certain Funds Utilisation**" means any Utilisation made or to be made under a Facility.

"**Change of Control**" means any person or group of persons acting in concert (in each case other than Stichting InBev or any existing direct or indirect certificate holder or certificate holders of Stichting InBev or any person or group of persons acting in concert with any such persons) gaining Control of the Company.

For the purposes of this definition:

(a) acting in concert means, a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Company by any of them, either directly or indirectly, to obtain Control of the Company; and

(b) Stichting InBev means a company incorporated under the laws of The Netherlands under registered number 34144185 with registered address at Hofplein 20, 3032AC, Rotterdam, The Netherlands.

"**Clean Up Date**" means the date falling three Months after the date on which the Acquisition has been consummated in full in accordance with the Transaction Agreement and the Tender Offer.

"**Cobrew**" means Cobrew NV/SA, a *naamloze vennootschap/société anonyme*, with its registered office at Brouwerijplein 1, 3000 Leuven, enterprise number 0428.975.372 (RPR/RPM Leuven).

"**Code**" means, at any date, the U.S. Internal Revenue Code of 1986 (or any successor legislation thereto) as amended from time to time and the regulations promulgated and the judicial and administrative decisions rendered under it, all as the same may be in effect at such date.

"**Commitment**" means a Facility A Commitment or a Facility B Commitment.

"**Confidentiality Undertaking**" means a confidentiality undertaking substantially in a recommended form of the LMA or in any other form agreed between the Company and the Agent and in each case capable of being relied upon by the Company.

"**Control**" in relation to any entity means either the direct or indirect ownership of more than 50 per cent. of the share capital or similar rights of ownership of the entity or the power to direct the management and the policies of the entity whether through the ownership of share capital, contract or otherwise.

"**Core Business**" means the business of beer brewing and soft drink manufacturing, drink bottling, trading and/or performing services and/or carrying out functions (including, without limitation, research and development, marketing, distribution and retail sales) in connection with the beer brewing and soft drink manufacturing businesses.

"**Credit Rating**" means the corporate long-term credit issue rating of the present and future senior, unsecured and unsubordinated debt obligations of the Company.

"**Credit Rating Period**" means a period commencing on the date of a completion of an acquisition or incorporation by the Company referred to in Clause 22.7 (*Acquisitions*) or, if earlier, the date of any announcement of such acquisition or incorporation and ending sixty (60) days after the completion of such acquisition or incorporation (which period shall be extended following consummation of an acquisition or incorporation for so long as S&P or Moody's has publicly announced within the period ending sixty (60) days after such acquisition or incorporation that it is considering a possible negative change to the Credit Rating, provided that such Credit Rating Period shall not extend more than one hundred and twenty (120) days after the public announcement of such consideration.

"**DCB**" means The Dutch Central Bank (*De Nederlandsche Bank N.V.*).

"**Default**" means an Event of Default or any event or circumstance specified in Clause 23 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"**Defaulting Lender**" means any Lender:

(a) which has failed to make its participation in a Loan available or has notified the Agent that it will not make its participation in a Loan available by the Utilisation Date of that Loan in accordance with Clause 5.4 (*Lenders' participation*);

(b) which has otherwise rescinded or repudiated a Finance Document; or

(c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

payment is made within five Business Days of its due date; or

(ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

"**Derivative Contract**" means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account).

"**DFSA**" means The Dutch Financial Supervision Act (*Wet op het financieel toezicht*, "*Wft*") and all rules promulgated thereunder and pursuant thereto as well as communications and published guidelines of the DCB and the AFM.

"**Dijon**" means Dirección de Fábricas, S.A. de C.V..

"**Dijon Merger**" means the merger, if any, between Seville and Dijon with Seville as the surviving entity as contemplated by the Merger Agreement, if any.

"**Disruption Event**" means either or both of:

(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facilities (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or

(b) the occurrence of any other event which results in a disruption (of a technical or systems related nature) to the treasury or payments operations of a Party preventing that, or any other Party:

(i) from performing its payment obligations under the Finance Documents; or

(ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

"**Dublin**" means Diblo, S.A. de C.V..

"**Dublin Merger**" means the merger between Seville and Dublin with Seville as the surviving entity as contemplated by the Transaction Agreement.

"**Dutch Obligor**" means an Obligor incorporated in the Netherlands.

"**EBIT**" means in respect of the Group on a consolidated basis and in relation to any period, profit from operations as reported for that period, measured by reference to the consolidated financial statements delivered by the Company pursuant to Clause 20.10 (*Financial statements*) in respect of such period or prior to the date on which any such financial statements are delivered to the Agent, the Original Financial Statements of the Company:

(a) plus (without double counting) dividends or other profit distributions (net of withholding tax) received in cash by any member of the Group during such period from any person in respect of which a member of the Group is a shareholder (or has an ownership interest) but which is not consolidated within the financial statements of the Group;

(b) minus extraordinary or non-recurring items and/or non-operational income and gains; and

(c) plus extraordinary or non-recurring items and/or non-operational expenses and losses.

"**EBITDA**" means in respect of the Group on a consolidated basis and in relation to any period, EBIT for that period:

(a) plus depreciation and impairment of tangible assets;

(b) plus amortisation and impairment of intangible assets;

(c) plus impairment of goodwill;

(d) minus (to the extent otherwise included) any gain over book value arising in favour of a member of the Group on the disposal of any non-financial asset (other than any disposal made in the ordinary course of business) during that period and any gain arising on any revaluation of any non-financial asset during that period; and

(e) plus (to the extent otherwise deducted) any loss against book value incurred by a member of the Group on the disposal of any non-financial asset (other than any disposal made in the ordinary course of business) during that period and any loss arising on any revaluation of any non-financial asset during that period.

"**Environmental Law**" means any applicable law or regulation which relates to:

(a) the pollution or protection of the environment;

(b) harm to or the protection of human health;

(c) the physical conditions of the workplace; or

(d) any emission or substance capable of causing harm to any living organism or the environment.

"**Environmental Permit**" means any permit, other Authorisation or filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Group.

"**ERISA**" means, at any date, the United States Employee Retirement Income Security Act of 1974 and the regulations promulgated and rulings issued thereunder, all as the same may be in effect at such date.

"**ERISA Affiliate**" means, in relation to a member of the Group, each person (as defined in Section 3(9) of ERISA) which together with that member of the Group would be deemed to be a "**single employer**" (a) within the meaning of Section 414(b), (c), (m) or (o) of the Code or (b) as a result of that member of the Group being or having been a general partner of such person.

"**ERISA Event**" means:

(a) (i) the occurrence of a reportable event, within the meaning of Section 4043 of ERISA, with respect to any Plan unless the 30 day notice requirement with respect to such event has been waived or (ii) the requirements of Section 4043(b) of ERISA apply with respect to a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, of a Plan, and an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to such Plan within the following 30 days;

(b) the application for a minimum funding waiver under Section 302 (c) of ERISA with respect to a Plan;

(c) the provision by the administrator of any Plan of a notice of intent to terminate such Plan, pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA);

(d) the cessation of operations at a facility of any Obligor or any ERISA Affiliate in the circumstances described in Section 4062(e) of ERISA;

(e) the incurrence by any Obligor or ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal by any Obligor or any ERISA Affiliate from a Multiple Employer Plan;

(f) the institution by the PBGC of proceedings to terminate a Plan pursuant to Section 4042 of ERISA, or the occurrence of any event or condition described in Section 4042 of ERISA that constitutes grounds for the termination of, or the appointment of a trustee to administer, such Plan;

(g) the failure to make by its due date a required contribution with respect to any Plan or the failure to make any required contribution to a Multiemployer Plan;

(h) the incurrence or expected incurrence by any Obligor or ERISA Affiliate of any liability under Title IV of ERISA with respect to any Plan or Multiemployer Plan;

(i) an action, suit, proceeding, hearing, audit or investigation with respect to the administration, operation or the investment of assets of any Plan (other than routine claims for benefits) is pending, expected or threatened;

(j) the incurrence of an Insufficiency by or with respect to any Plan.

"**euro**" and "**€**" means the single currency of the Participating Member States.

"**Event of Default**" means any event or circumstance specified as such in Clause 23 (*Events of Default*).

"**Excluded Subsidiary**" means Barcelona and each of its Subsidiaries from time to time **provided that** if Barcelona becomes a wholly-owned Subsidiary of the Company, it and its Subsidiaries shall cease to be Excluded Subsidiaries.

"**Existing Credit Facilities**" means the US$13,000,000,000 loan facilities made available to the Company and other members of the Group pursuant to a senior facilities agreement dated 26 February 2010 as amended on 25 July 2011.

"**Facility**" means Facility A and Facility B.

"**Facility A**" means the term loan facility made available under this Agreement as described in paragraph (a) of Clause 2.1 (*The Facilities*).

"**Facility A Commitment**" means:

(a) in relation to an Original Lender, the amount in US Dollars set opposite its name under the heading "Facility A Commitment" in Part 2 of Schedule 1 (*The Original Parties*) and the amount of any other Facility A Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*); and

(b) in relation to any other Lender, the amount in US Dollars of any Facility A Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Facility A Extension Fee**" means a fee in an amount equal to 0.20 per cent. of the total principal amount outstanding under Facility A as at the Original Facility A Termination Date (as defined in paragraph (a) of Clause 2.5 (*Extension of Facility A*)) and payable to each Facility A Lender *pro rata* to its participation in the outstanding utilisations under Facility A on such date.

"**Facility A Loan**" means a loan made or to be made under Facility A or the principal amount outstanding for the time being of that loan.

"**Facility B**" means the term loan facility made available under this Agreement as described in paragraph (b) of Clause 2.1 (*The Facilities*).

"**Facility B Commitment**" means:

(a) in relation to an Original Lender, the amount in US Dollars set opposite its name under the heading "Facility B Commitment" in Part 2 of Schedule 1 (*The Original Parties*) and the amount of any other Facility B Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*); and

(b) in relation to any other Lender, the amount in US Dollars of any Facility B Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Facility B Loan**" means a loan made or to be made under Facility B or the principal amount outstanding for the time being of that loan.

"**Facility Commitment**" means a Facility A Commitment or a Facility B Commitment.

"**Facility Office**" means in respect of a Lender, the office or offices notified by that Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days written notice) as the office or offices through which it will perform its obligations under this Agreement.

"**FATCA**" means:

(a) Sections 1471 through 1474 of the Code, as of the date of this Agreement and any current or future regulations or official interpretation thereof;

(b) any treaty, law, regulation or other official guidance enacted in any jurisdiction relating to paragraph (a) above; or

(c) any agreement relating to paragraphs (a) or (b) of this definition with the Internal Revenue Service of the United States of America, the United States government or any governmental or taxation authority in any other jurisdiction.

"**FATCA Deduction**" means a deduction or withholding from a payment under a Finance Document pursuant to FATCA.

"**Fee Letter**" means any letters between the Bookrunners and the Company or the Agent and the Company setting out any of the fees referred to in Clause 2.2 (*Increase*) and Clause 13 (*Fees*).

"**Finance Document**" means this Agreement, any Accession Letter, any Fee Letter, any Resignation Letter, any Selection Notice, any Utilisation Request and any other document designated as a Finance Document by the Agent and the Company.

"**Finance Party**" means the Agent, the Bookrunners or a Lender.

"**Financial Indebtedness**" means non-current interest bearing loans and borrowings, plus current interest bearing loans and borrowings; plus bank overdrafts (in each case calculated in accordance with the Accounting Principles); and to the extent not covered by the foregoing, any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) any amount raised pursuant to any issue of shares which are expressed to be redeemable on or prior to the latest of the Termination Dates;

(e) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease;

(f) the amount of any liability in respect of any advance or deferred purchase agreement if one of the primary reasons for entering into such agreement is to raise finance;

(g) receivables sold or discounted (other than on a non–recourse basis);

(h) any agreement or option to re–acquire an asset if one of the primary reasons for entering into such agreement or option is to raise finance;

(i) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of, and accounted for as, a borrowing; and

(j) (without double counting) the amount of any liability in respect of any guarantee, indemnity, standby or documentary letter of credit or other similar instrument issued by a bank or financial institution (on behalf of any Obligor or Material Subsidiary), in each case for any of the items referred to in paragraphs (a) to (i) above,

and (other than for the purposes of Clause 22.12 (*Loans or credit to Excluded Subsidiaries*) and the definition of Permitted Excluded Subsidiary Credit Support) not including any Financial Indebtedness owed by one member of the Group to another member of the Group.

"**Group**" means the Company and each of its Subsidiaries from time to time.

"**Guarantee Principles**" means the principles set out in Schedule 11 (*Guarantee Principles*).

"**Guarantor**" means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with Clause 25 (*Changes to the Obligors*).

"**Holding Company**" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"**IFRS**" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"**Impaired Agent**" means the Agent at any time when:

(a) it has failed to make (or has notified a Party it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;

(b) (if the Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of "**Defaulting Lender**";

(c) an Insolvency Event has occurred and is continuing with respect to the Agent;

(d) the Agent otherwise rescinds or repudiates a Finance Document; or

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

payment is made within five Business Days of its due date; or

(ii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

"**Increase Confirmation**" means a confirmation substantially in the form set out in Schedule 11 (*Form of Increase Confirmation*).

"**Increase Lender**" has the meaning given to that term in Clause 2.2 (*Increase*).

"**Insolvency Event**" in relation to a Finance Party means that the Finance Party:

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;

(c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

(d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, all other than by way of an Undisclosed Administration, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;

(e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:

(i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or

(ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;

(f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets, all other than by way of an Undisclosed Administration;

(h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;

(i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or

(j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

"**Insufficiency**" means, with respect to any Plan, the amount, determined on a plan termination basis, if any, of its unfunded benefit liabilities, as defined in, and in accordance with actuarial assumptions set forth in, Section 4001(a)(18) of ERISA (excluding any accrued but unpaid contributions).

"**Intellectual Property**" means:

(a) any patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, domain names, trade names, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered, and any goodwill therein; and

(b) the benefit of all applications and rights to use such assets of each member of the Group.

"**Interest Period**" means, in relation to a Loan, each period determined in accordance with Clause 11 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 10.3 (*Default interest*).

"**IRS**" means the United States Internal Revenue Service or any successor thereto.

"**Judicial Deposit**" means any cash deposit made in connection with any judicial or administrative proceeding against a member of the Group.

"**Legal Opinion**" means any legal opinion delivered to the Agent under Clause 4.1 (*Initial conditions precedent*) or Clause 25 (*Changes to the Obligors*).

"**Legal Reservations**" means:

(a) the principle that certain remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws generally affecting the rights of creditors and secured creditors;

(b) the time barring of claims under applicable limitation laws (including the English Limitation Acts), defences of acquiescence, set-off or counterclaim and the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void;

(c) the principle that additional interest imposed pursuant to any relevant agreement may be held to be unenforceable on the grounds that it is a penalty and thus void;

(d) the principle that an English court may not give effect to an indemnity for legal costs incurred by an unsuccessful litigant;

(e) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and

(f) any other general principles which are set out as qualifications or reservations (however described) as to matters of law in any Legal Opinion.

"**Lender**" means:

(a) any Original Lender; and

(b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 2.2 (*Increase*) or Clause 24 (*Changes to the Lenders*),

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

"**LIBOR**" means, in relation to any Loan:

(a) the applicable Screen Rate; or,

(b) (if no Screen Rate is available for the currency or Interest Period of that Loan) the Reference Banks Rate,

as of the Specified Time on the Quotation Day for the offering of deposits in the currency of that Loan and for a period comparable to the Interest Period of that Loan, **provided that** if as a consequence of the above provisions LIBOR would be below zero, LIBOR shall be deemed to be zero.

"**LMA**" means the Loan Market Association.

"**Loan**" means a Facility A Loan or a Facility B Loan.

"**Luxembourg**" means the Grand Duchy of Luxembourg.

"**Luxembourg Commercial Code**" means the Code de Commerce of Luxembourg.

"**Luxembourg Guarantor**" means a Guarantor incorporated in Luxembourg.

"**Luxembourg Law of 2002**" means the Luxembourg law of 19 December 2002 on the commercial register and annual accounts, as amended.

"**Luxembourg Obligor**" means an Obligor incorporated in Luxembourg.

"**Major Default**" means, with respect to the Company and the Obligors only, any circumstances constituting a Default under any of: Clause 23.1 (*Non-payment*), Clause 23.2 (*Other obligations*) (insofar as it relates to a breach of Clause 22.9 (*Negative pledge*), Clause 22.5 (*Merger*) and Clause 22.6 (*Change of business*)), Clause 23.5 (*Insolvency*), Clause 23.6 (*Insolvency proceedings*), Clause 23.7 (*Creditors' process*), Clause 23.9 (*Unlawfulness and invalidity*) or Clause 23.11 (*Repudiation and rescission*).

"**Majority Lenders**" means a Lender or Lenders whose Commitments aggregate more than $66^2/_3$ per cent of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than $66^2/_3$ per cent. of the Total Commitments immediately prior to that reduction).

"**Major Representation**" means a representation or warranty, with respect to the Company and the Obligors only, under any of: Clause 20.2 (*Status*), Clause 20.3 (*Binding obligations*), Clause 20.4 (*Non-conflict with other obligations*) but only in respect of sub-paragraphs (b) and (c), Clause 20.5 (*Power and authority*), Clause 20.6 (*Validity and admissibility*) or Clause 20.11*(Pari passu ranking)*.

"**Mandatory Cost**" means the percentage rate per annum calculated by the Agent in accordance with Schedule 4 (*Mandatory Cost Formula*).

"**Margin**" means:

(a) in relation to a Facility A Loan the rate determined in accordance with the Margin Grid set out below, as calculated by reference to the Company's Credit Rating, as assessed by S&P and by Moody's. Accordingly, the rate applicable as of the date of this Agreement, based on the Company's Credit Rating at such date, is 1.00 per cent. per annum;

(b) in relation to a Facility B Loan, the rate determined in accordance with the Margin Grid set out below, as calculated by reference to the Company's Credit Rating, as assessed by S&P and by Moody's. Accordingly, the rate applicable as of the date of this Agreement, based on the Company's Credit Rating at such date, is 1.25 per cent. per annum;

(c) in relation to any Unpaid Sum relating or referable to a Facility, the rate per annum specified above for that Facility; and

(d) in relation to any other Unpaid Sum, the highest rate specified below:

| **Credit Rating (S&P/Moody's)** | **Facility A Margin (% p.a.)** | **Facility B Margin (% p.a.)** |
|---|---|---|
| Higher than or equal to | | |
| A+/A1 | 0.85 | 1.10 |
| A/A2 | [****] | [****] |
| A-/A3 | [****] | [****] |
| BBB+/Baa1 | [****] | [****] |
| BBB/Baa2 | [****] | [****] |
| BBB-/Baa3 | [****] | [****] |
| Lower than BBB-/Baa3 | 2.15 | 2.40 |

and **provided that**:

(a) in the event of a split Credit Rating, the average of the two corresponding Margins shall apply;

(b) any change in the Margin for a Utilisation shall take effect on the first day of the next Interest Period for that Utilisation which starts following the date on which the relevant Credit Rating changed; and

(c) the otherwise applicable Margin in respect of Facility A from time to time shall be increased by:

(i) 0.20 per cent. per annum on and from the date falling 6 Months after the Utilisation Date; and

(ii) an additional 0.20 per cent. per annum on and from the last day of each successive period of 3 Months thereafter.

"**Material Adverse Effect**" means any event or condition that (individually or in aggregate) has a material adverse effect on:

(a) the ability of the Obligors (taken as a whole) to perform any of their payment obligations under the Finance Documents; or

(b) the business, assets, financial condition or operations of the Group taken as a whole.

"**Material Subsidiary**" means, at any time, any member of the Group which:

(a) has earnings before interest, tax, depreciation and amortisation calculated on a consolidated basis in the same manner as EBITDA representing ten per cent. or more of the consolidated EBITDA of the Group; or

(b) is the owner of the registered trademark of a brand listed in Schedule 10 (*Material Brands*).

Compliance with the condition set out in paragraph (a) shall be determined by reference to the latest financial statements of that Subsidiary (audited, if available, and consolidated in the case of a Subsidiary that itself has Subsidiaries) and the latest audited consolidated financial statements of the Group.

"**Merger Agreement**" means the agreement (if any) between, amongst others, Seville, Dijon, the Company and Dublin setting out the material terms and conditions for implementation of the Dijon Merger (excluding any disclosure schedules which are not material in the context of the financial condition of the Group taken as a whole in the Company's reasonable opinion).

"**Month**" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;

(b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and

(c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period, and Monthly shall be construed accordingly.

"**Moody's**" means Moody's Investor Services, Inc., or any successor thereto.

"**Multiemployer Plan**" means a multiemployer plan, as defined in Section (3)(37) of ERISA, subject to Title IV of ERISA, contributed to for any employees of a U.S. Obligor or any ERISA Affiliate.

"**Multiple Employer Plan**" means a single employer plan, as defined in Section 4001(a)(15) of ERISA, subject to Title IV of ERISA, that (a) is maintained for employees of any Obligor or any ERISA Affiliate and at least one person other than the Obligors and the ERISA Affiliates or (b) was so maintained and in respect of which any Obligor or any ERISA Affiliate could have liability under Section 4064 or 4069 of ERISA in the event such plan has been or were to be terminated.

"**Non-Material Obligor**" means an Obligor which is not a Material Subsidiary and is not a Borrower.

"**Non-Obligor**" means a member of the Group which is not an Obligor.

"**Obligor**" means a Borrower or a Guarantor.

"**Obligors' Agent**" means the Company, appointed to act on behalf of each Obligor in relation to the Finance Documents pursuant to Clause 2.4 (*Obligors' Agent*).

"**Original Financial Statements**" means the Company's consolidated audited financial statements for its financial year ended 31 December 2011.

"**Original Obligor**" means an Original Borrower or an Original Guarantor.

"**Other Brandbrew Guaranteed Facilities**" means:

(a) the Existing Credit Facilities;

(b) the €2,500,000,000 syndicated credit facility agreement dated 8 December, 2005 between the Company, Fortis Bank SA/NV and others;

(c) the €125,000,000 facility agreement dated 6 July 2011 between the Company and Fortis Bank SA/NV as lender;

(d) any debt securities issued by Anheuser-Busch under any of the following indentures:

  (i) the Indenture, dated 1 August 1995, between Anheuser-Busch and The Bank of New York Mellon Trust Company, N.A. (as successor to Chemical Bank), as trustee;

  (ii) the Indenture, dated 1 July 2001, between Anheuser-Busch and The Bank of New York Mellon Trust Company, N.A. (as successor to The Chase Manhattan Bank), as trustee; and

  (iii) the Indenture, dated 1 October 2007, between Anheuser-Busch and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as trustee.

(e) the US$850,000,000 note purchase and guarantee agreement dated 22 October 2003 between, amongst others, the Company as issuer, Cobrew and Brandbrew;

(f) any debt securities issued or guaranteed by Brandbrew under the €15,000,000,000 Euro Medium Term Note Programme entered into on 16 January 2009;

(g) any debt securities guaranteed by Brandbrew under the Indenture dated 12 January 2009, among ABIWW, the Company, the subsidiary guarantors listed therein and the Bank of New York Mellon, New York Branch as trustee; and

(h) any bonds guaranteed by Brandbrew under the Indenture, dated 16 October 2009 among ABIWW, the Company, the subsidiary guarantors named therein and the Bank of New York Mellon Trust Company, N.A., as trustee;

(i) any debt securities guaranteed by Brandbrew under the U.S. commercial paper programme entered into on 6 June 2011; and

(j) any refinancing (in whole or part) of any of the above items or this Agreement for the same or a lower amount.

"**Parent Contribution Agreement**" means the parent contribution agreement to be entered into between the Company and ABIWW, in the agreed form or in form and substance equivalent in all material respects to the parent contribution agreement entered into in relation to the Existing Credit Facilities.

"**Participating Member State**" means any member state of the European Union that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"**Party**" means a party to this Agreement.

"**PBGC**" means the U.S. Pension Benefit Guaranty Corporation, or any entity succeeding to all or any of its functions under ERISA.

"**Permitted Excluded Subsidiary Credit Support**" means:

(a) Financial Indebtedness owed by any Excluded Subsidiary to any member of the Group (which is not an Excluded Subsidiary); and/or

(b) guarantees provided by a member of the Group (which is not an Excluded Subsidiary) in respect of the Financial Indebtedness of any Excluded Subsidiary,

where the aggregate (without double counting) of (i) Financial Indebtedness of all Excluded Subsidiaries owed to or guaranteed by other members of the Group which are not Excluded Subsidiaries; (ii) amounts secured by Security which is permitted pursuant to paragraph (p) of the definition of Permitted Security; and (iii) Subsidiary Financial Indebtedness, does not exceed US$4,500,000,000 (or its equivalent in any other currency) at any time.

"**Permitted Security**" means:

(a) the Security listed in the document referred to in paragraph 17 of Part 1 (*Conditions precedent to initial Utilisation*) of Schedule 2 (*Conditions precedent*) except to the extent the principal amount secured by that Security exceeds the amount stated in that document;

(b) any Security entered into pursuant to any Finance Document;

(c) any lien arising by operation of law and in the ordinary course of business;

(d) any Security over or affecting any asset acquired by a member of the Group after the date of this Agreement if:

(i) the Security was not created in contemplation of the acquisition (or proposed acquisition) of that asset by a member of the Group; and

(ii) the principal amount secured has not been increased in contemplation of or since the acquisition (or proposed acquisition) of that asset by a member of the Group;

(e) any Security over or affecting any asset of any company which becomes a member of the Group after the date of this Agreement, where the Security is created prior to the date on which that company becomes a member of the Group, if:

(i) the Security was not created in contemplation of the acquisition (or proposed acquisition) of that company; and

(ii) the principal amount secured has not increased in contemplation of or since the acquisition (or proposed acquisition) of that company;

(f) any Security created in the ordinary course of business to secure any excise or import taxes or duties owed to any state or state agency or authority (among others and without limitation, a mortgage over any real property required by the relevant state, state agency or authority to secure the type of taxes or duties mentioned above will be considered as within the ordinary course of business);

(g) any Security arising out of rights of consolidation, combination, netting or set–off over any current and/or deposit accounts with a bank or financial institution, where it is necessary to agree to those rights in connection with the opening or operation of any bank accounts or in connection with a treasury management arrangement operated by a member of the Group, in each case, in the ordinary course of its business or risk management;

(h) any Security resulting from retention of title or conditional sale arrangements which are contained in the normal terms of supply of a supplier of goods to a member of the Group, where the goods are acquired by such member of the Group in the ordinary course of business and the arrangements do not constitute Financial Indebtedness;

(i) any Security arising out of rights of netting or set–off arrangements which are contained in the normal terms of supply of a supplier of goods and/or services to a member of the Group, where the goods are acquired or services utilised by such member of the Group in the ordinary course of business and the arrangements do not constitute Financial Indebtedness;

(j) any Security arising in the ordinary course of business of a member of the Group in relation to that Group member's participation in or trading on or through a clearing system or investment, commodity or stock exchange, where, in each case, the Security arises under the rules or normal procedures or legislation governing the clearing system or exchange and neither with the intention of creating security nor in connection with the borrowing or raising of money;

(k) any Security created by a member of the Group in favour of an Obligor;

(l) any Security created pursuant to or in respect of any Judicial Deposit;

(m) any Security created or outstanding with the prior written consent of the Majority Lenders;

(n) pledges over and assignments of documents of title, insurance policies and sale contracts in relation to goods or services created or made in the ordinary course of business of a member of the Group to secure the purchase price of such goods or services;

(o) any Security created by an Excluded Subsidiary; or

(p) any Security over or affecting any assets of the Group which does not fall within any of paragraphs (a) to (o) above **provided that** the total of (i) the aggregate amount secured by all Security referred to in this paragraph (p) and (ii) the total amount of Subsidiary Financial Indebtedness (without double counting Subsidiary Financial Indebtedness incurred under sub-paragraph (i) of this paragraph (p)) and Financial Indebtedness of all Excluded Subsidiaries owed to or guaranteed by other members of the Group which are not Excluded Subsidiaries, does not, at any time, exceed US$4,500,000,000 (or its equivalent in any other currency).

"**Plan**" means a Single Employer Plan or a Multiple Employer Plan.

"**Qualifying Lender**" has the meaning given to that term in Clause 14 (*Tax Gross Up and Indemnities*).

"**Quotation Day**" means, in relation to any period for which an interest rate is to be determined, two Business Days before the first day of that period unless market practice differs in the Relevant Interbank Market for a currency, in which case the Quotation Day for that currency will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

"**Reference Banks Rate**" means, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request by the Reference Banks in relation to LIBOR, as the rate at which the relevant Reference Bank could borrow funds in the London interbank market in the relevant currency and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in that currency and for that period.

"**Reference Banks**" means the principal London offices of the Agent, Banco Santander, S.A., ING Bank N.V., J.P. Morgan Plc, The Royal Bank of Scotland plc, Barclays Bank PLC and Bank of America, N.A. and such other banks as may be appointed by the Agent in consultation with the Company.

"**Regulations T, U or X**" means, respectively, Regulations T, U or X of the Board of Governors of the Federal Reserve System of the United States (or any successor) as now and from time to time in effect from the date of this Agreement.

"**Related Fund**" in relation to a fund (the first fund), means a fund which is managed or advised by the same investment manager or adviser as the first fund or, if it is managed by a different investment manager or adviser, a fund whose investment manager or adviser is an Affiliate of the investment manager or adviser of the first fund.

"**Relevant Borrower**" means, in relation to a Loan, the Borrower which borrowed such Loan.

"**Relevant Interbank Market**" means the London interbank market.

"**Relevant Jurisdiction**" means, in relation to an Obligor, its jurisdiction of incorporation.

"**Repeating Representations**" means each of the representations set out in Clause 20.2 (*Status*) to Clause 20.6 (*Validity and admissibility in evidence*), paragraph (a) of Clause 20.8 (*No default*) and Clause 20.11 (*Pari passu ranking*).

"**Resignation Letter**" means a letter substantially in the form set out in Schedule 7 (*Form of Resignation Letter*).

"**Sale**" means the sale of all or substantially all of the assets of the Company (whether in a single transaction or a series of related transactions).

"**S&P**" means Standard & Poor's Rating Group, a division of The McGraw-Hill Companies, or any successor thereto.

"**Screen Rate**" means, in relation to LIBOR, the British Bankers' Association Interest Settlement Rate for the relevant currency and period displayed on the appropriate page of the Reuters screen. If the agreed page is replaced or service ceases to be available, the Agent may specify another page or service displaying the appropriate rate after consultation with the Company and the Lenders.

"**Security**" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Selection Notice**" means a notice substantially in the form set out in Part 2 of Schedule 3 (*Requests*) given in accordance with Clause 11 (*Interest Periods*) in relation to a Facility.

"**Seville**" means Grupo Modelo, S.A.B. de C.V., a company incorporated under the laws of Mexico with registered address Javier Barros Sierra No. 555 Piso 3, Zedec Santa FE, 01210, Mexico, D.F. with issuer number P4833, or its successor or any other corporate form into which such company may convert.

"**Shareholders' Approval**" means the valid adoption of a resolution by the shareholders' meeting of the Company validly approving (a) Clause 8 (*Mandatory*

*Prepayment*) and (b) any other provision in this Agreement granting rights to third parties which could affect the Company's assets or could impose an obligation on the Company where in each case the exercise of those rights is dependent on the occurrence of a public take-over bid or a Change of Control, in accordance with article 556 of the Belgian Companies Code.

"**Single Employer Plan**" means a single employer plan, as defined in Section 4001(a)(15) of ERISA, subject to Title IV of ERISA, that (a) is maintained or contributed to by any Obligor or any ERISA Affiliate for employees of any Obligor or any ERISA Affiliate and no person other than the Obligors and the ERISA Affiliates or (b) was so maintained or contributed to and in respect of which any Obligor or any ERISA Affiliate could have liability under Section 4069 of ERISA in the event such plan has been or were to be terminated.

"**Specified Time**" means a time determined in accordance with Schedule 8 (*Timetables*).

"**Subsidiary**" means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting share capital or similar right of ownership and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

"**Subsidiary Financial Indebtedness**" means the aggregate outstanding principal or capital amount of all Financial Indebtedness of all members of the Group minus:

(a) an amount equal to the aggregate principal or capital amount of all existing subsidiary financial indebtedness listed in the document referred to in paragraph 18 of Part 1 (*Conditions precedent to initial Utilisation*) of Schedule 2 (*Conditions precedent*);

(b) any Financial Indebtedness of any person who becomes a member of the Group after the date of this Agreement which is incurred under arrangements in existence at the date that person becomes a member of the Group (and not entered into in contemplation of that person becoming (or proposed to be becoming) a member of the Group), but only for a period of one year from the date that person becomes a member of the Group and only to the extent the principal amount of the Financial Indebtedness has not been incurred since the date that person became a member of the Group;

(c) any Financial Indebtedness of a Non-Obligor where (i) such Non-Obligor has on-lent substantially the entire proceeds of such Financial Indebtedness to one or more Obligors; and (ii) such Non-Obligor holds no material assets other than its claims against such Obligors or Obligor in relation to such loans;

(d) any Financial Indebtedness of an Obligor; and

(e) any Financial Indebtedness of Barcelona (or any Subsidiary of Barcelona) until such time as Barcelona becomes a wholly-owned Subsidiary of the Company.

"**Super Majority Lenders**" means a Lender or Lenders whose Commitments aggregate more than 85 per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 85 per cent. of the Total Commitments immediately prior to that reduction).

"**Target**" means Seville.

"**TARGET Day**" means any day on which TARGET2 is open for the settlement of payments in euro.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**Target Group**" means the Target and its Subsidiaries.

"**Target Shares**" means all or part of the outstanding share capital in the Target and any warrants and options in respect thereof.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Tender Offer**" means the tender offer for the Target Shares by a member of the Group on the terms and conditions set out in the Tender Offer Document and as envisaged by the Transaction Agreement.

"**Tender Offer Document**" means the *folleto informativo* prepared by a wholly owned subsidiary of the Company and approved by the Mexican Comision Nacional Bancaria y de Valores, evidencing the terms and conditions of the Tender Offer.

"**Termination Date**" means:

(a) in relation to Facility A, the date falling twelve (12) Months from the Utilisation Date subject to the Borrower's option to extend the Termination Date for Facility A in accordance with Clause 2.5 (*Extension of Facility A*); and

(b) in relation to Facility B, the date falling thirty six (36) Months from the Utilisation Date less the period, if any, by which the Availability Period for Facility B has been extended pursuant to paragraph (d) of Clause 2.1 (*The Facilities*).

"**Total Commitments**" means the aggregate of the Total Facility A Commitments and the Total Facility B Commitments, being US$14,000,000,000 at the date of this Agreement.

"**Total Facility A Commitments**" means the aggregate of the Facility A Commitments, being US$6,000,000,000 at the date of this Agreement.

"**Total Facility B Commitments**" means the aggregate of the Facility B Commitments, being US$8,000,000,000 at the date of this Agreement.

"**Transaction Agreement**" means the agreement between, amongst others, Seville, the Company and Dublin setting out the material terms and conditions for implementation of the Dublin Merger (excluding any disclosure schedules which are not material in the context of the financial condition of the Group taken as a whole in the Company's reasonable opinion).

"**Transfer Certificate**" means a certificate substantially in the form set out in Schedule 5 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Company.

"**Transfer Date**" means, in relation to a transfer, the later of:

(a) the proposed Transfer Date specified in the Transfer Certificate; and

(b) the date on which the Agent executes the Transfer Certificate.

"**Undisclosed Administration**" means an undisclosed administration (*stille curatele*) applicable to a Lender, imposed by the DCB under or based on section 1:76 of the DFSA, as to Lenders which are the subject of home jurisdiction supervision by the DCB under the DFSA and in relation to which the DCB has not publicly disclosed the appointment of a custodian (curator) with regard to the relevant Lender.

"**Unpaid Sum**" means any sum due and payable but unpaid by an Obligor under the Finance Documents.

"**US Dollar**", "**US Dollars**", "**US$**", "**dollar**" and "**$**" means the lawful currency of the United States of America from time to time.

"**U.S.**" and "**United States**" means the United States of America, its territories, possessions and other areas subject to the jurisdiction of the United States of America.

"**U.S. Borrower**" means a Borrower whose jurisdiction of organisation is a state of the United States of America or the District of Columbia.

"**U.S. Guarantor**" means a Guarantor whose jurisdiction of organisation is a state of the United States of America or the District of Columbia.

"**U.S. Obligor**" means any U.S. Borrower or U.S. Guarantor.

"**U.S. Tax**" means any federal, state, local income, gross receipts, license, premium, windfall profits, customs duties, capital stock, franchise, profits, withholding, social security (or similar), real property, personal property, sales, use, registration, value added, alternative or add-on minimum, estimated or other tax of any kind whatsoever, imposed by the United States or any political subdivision thereof or taxing authority therein, including any interest, penalty or addition thereto, whether disputed or not.

"**Utilisation**" means a Loan.

"**Utilisation Date**" means the date on which the Utilisations are made.

"**Utilisation Request**" means a notice substantially in the relevant form set out in Part 1 of Schedule 3 (*Requests*).

"**VAT**" means value added tax calculated in accordance with (but subject to the derogations according to the VAT regulations of the member states) European Directive 2006/112/EC (replacing European Directive 77/388/EC) whether charged in a member state of the European Union or elsewhere and any other tax of a similar nature.

"**Withdrawal Liability**" has the meaning specified in Part I of Subtitle E of Title IV of ERISA.

1.2 **Construction**

(a) Unless a contrary indication appears, a reference in this Agreement to:

(i) the "**Agent**", a "**Bookrunner**", any "**Finance Party**", any "**Lender**", any "**Obligor**", any "**Party**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;

(ii) a document in "**agreed form**" is a document which is in a form agreed in writing by or on behalf of the Company and the Agent;

(iii) "**assets**" includes present and future properties, revenues and rights of every description;

(iv) a "**Finance Document**" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;

(v) "**guarantee**" means (other than in Clause 19 (*Guarantee and Indemnity*)) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to provide assurance to the beneficiary of such guarantee that another person will or can meet any of its liabilities;

(vi) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(vii) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);

(viii) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

(ix) a provision of law is a reference to that provision as amended or re-enacted; and

(x) a time of day is a reference to London time.

(b) Section, Clause and Schedule headings are for ease of reference only.

(c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(d) A Default or an Event of Default is "**continuing**" if it has not been remedied or waived in writing.

1.3 **Dutch terms**

In this Agreement, where it relates to a Dutch entity, a reference to:

(a) a "**necessary action to authorise**" where applicable, includes without limitation:

(i) any action required to comply with the Works Councils Act of the Netherlands (*Wet op de ondernemingsraden*); and

(ii) obtaining an unconditional positive advice (*advies*) from the competent works council(s);

(b) "**financial assistance**" means any act contemplated by:

(i) (for a *besloten vennootschap met beperkte aansprakelijkheid*) Article 2:207(c) of the Dutch Civil Code; or

(ii) (for a *naamloze vennootschap*) Article 2:98(c) of the Dutch Civil Code;

(c) a "**Security**" includes any mortgage (*hypotheek*), pledge (*pandrecht*), retention of title arrangement (*eigendomsvoorbehoud*), privilege (*voorrecht*), right of retention (*recht van retentie*), right to reclaim goods (*recht van reclame*), and, in general, any right *in rem* (*beperkt recht*), created for the purpose of granting security (*goederenrechtelijk zekerheidsrecht*);

(d)

(i) a "**winding-up**", "**administration**" or "**dissolution**" includes a Dutch entity being declared bankrupt (*failliet verklaard*) or dissolved (*ontbonden*);

(ii) a "**moratorium**" includes *surseance van betaling* and "**a moratorium is declared**" or occurs includes *surseance verleend*;

(iii) any "**step**" or "**procedure**" taken in connection with insolvency proceedings includes a Dutch entity having filed a notice under Section 36 of the Tax Collection Act of the Netherlands (*Invorderingswet 1990*);

(iv) a "**trustee in bankruptcy**" includes a curator;

(v) an "**administrator**" includes a *bewindvoerder*; and

(vi) an "**attachment**" includes a *beslag*.

1.4 **Luxembourg terms**

In this Agreement, a reference to:

(a) a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrator receiver, administrator or similar officer includes any:

(i) *juge-commissaire* and/or insolvency receiver (*curateur*) appointed under the Luxembourg Commercial Code;

(ii) *liquidateur* appointed under Articles 141 to 151 of the Luxembourg act of 10 August 1915 on commercial companies, as amended;

(iii) *juge-commissaire* and/or *liquidateur* appointed under Article 203 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended;

(iv) commissaire appointed under the Grand-Ducal decree of 24 May 1935 on the controlled management regime or under Articles 593 to 614 of the Luxembourg Commercial Code; and

(v) *juge délégué* appointed under the Luxembourg act of 14 April 1886 on the composition to avoid bankruptcy, as amended;

(b) a "**winding-up**", "**administration**" or "**dissolution**" includes, without limitation, bankruptcy (*faillite*), liquidation (*liquidation judiciaire*), composition with creditors (*concordat préventif de faillite*), moratorium or reprieve from payment (*sursis de paiement*) and controlled management (*gestion contrôlée*); and

(c) a person being "**unable to pay its debts**" includes that person being in a state of cessation of payments (*cessation de paiements*).

1.5 **Belgian terms**

In this Agreement, a reference (in the context of Belgian law or a Belgian Obligor) to:

(a) a "**liquidator**", "**trustee in bankruptcy**", "**judicial custodian**", "**compulsory manager**", "**receiver**", "**administrator receiver**", "**administrator**" or "**similar officer**" includes any *curator / curateur, vereffenaar / liquidateur, voorlopig bewindvoerder / administrateur provisoire, gerechtelijk deskundige / expert judiciaire, mandataris ad hoc / mandataire ad hoc, ondernemingsbemiddelaar / médiateur d'entreprise*, as applicable, and *sekwester / sequester*;

(b) a person being "**unable to pay**" its debts is that person being in a state of cessation of payments (*staking van betaling / cessation de paiements*);

(c) an "**insolvency**" includes any *gerechtelijke reorganisatie / réorganisation judiciaire, faillissement / faillite* and any other concurrence between creditors (*samenloop van schuldeisers / concours des créanciers*);

(d) a "**composition**" includes any *minnelijk akkoord met alle schuldeisers / accord amiable avec tous les créanciers, gerechtelijke reorganisatie / réorganisation judiciaire*; "**winding up**", "**administration**", "**liquidation**" or "**dissolution**" includes any *vereffening / liquidation, ontbinding / dissolution, faillissement / faillite* and *sluiting van een onderneming / fermeture d'enterprise*;

(e) an "**assignment**" or "**similar arrangement with any creditor**" includes a *minnelijk akkoord met alle schuldeisers/ accord amiable avec tous les créanciers*;

(f) an "**attachment**", "**sequestration**", "**distress**", "**execution**" or "**analogous events**" includes any *uitvoerend beslag / saisie exécutoire* and *bewarend beslag / saisie conservatoire*;

(g) a "**Security**" includes any mortgage (*hypotheek / hypothèque*), pledge (*pand / nantissement*), privilege (*voorrecht / privilège*), retention right (*eigendomsvoorbehoud / réserve de propriété*), any real surety (*zakelijke zekerheid / sûreté réelle*) and any transfer by way of security (*overdracht ten titel van zekerheid / transfert à titre de garantie*) and a promise or mandate to create any of the security interest mentioned above;

(h) "**constitutional documents**" means *de oprichtingsakte / acte constitutif* and *de statuten / statuts*; and

(i) "**guarantee**" means, only for the purpose of the guarantee granted by a Belgian Obligor pursuant to Clause 19 (*Guarantee and Indemnity*), an independent guarantee and not a surety (*borg / cautionnement*).

1.6 **Third party rights**

(a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or enjoy the benefit of any term of this Agreement.

(b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

## 2. THE FACILITIES

### 2.1 The Facilities

(a) Subject to the terms of this Agreement, the Lenders make available to the Borrowers a US Dollar term loan facility in an aggregate amount equal to the Total Facility A Commitments.

(b) Subject to the terms of this Agreement, the Lenders make available to the Borrowers a US Dollar term loan facility in an aggregate amount equal to the Total Facility B Commitments.

(c) Any Borrower will be permitted to borrow (on a several basis) under each Facility.

(d) The Company may elect to extend the Availability Period of any Facility by up to six (6) Months by giving the Agent written notice no later than ten (10) Business Days prior to the expiry of the initial Availability Period of twelve (12) Months in respect of such Facility. Any such notice will, from the date of receipt by the Agent, take effect in accordance with its terms and, from such date, references in this Agreement to the "Availability Period" in relation to the relevant Facility will be to the Availability Period as so extended.

### 2.2 Increase

(a) The Company may by giving prior written notice to the Agent by no later than the date falling five Business Days after the effective date of a cancellation of:

(i) the Available Commitments of a Defaulting Lender in accordance with Clause 7.5 (*Right of Cancellation in relation to a Defaulting Lender*); or

(ii) the Commitments of a Lender in accordance with Clause 7.1 (*Illegality*),

request that the Facility A Commitments or the Facility B Commitments be increased (and the Facility A Commitments or Facility B Commitments shall be so increased) in an aggregate amount in US Dollars of up to the amount of the Available Commitment or Commitments so cancelled as follows:

(A) the increased Facility A Commitment or Facility B Commitment will be assumed by one or more Lenders or other banks, financial institutions, trusts, funds or other entities (the "**Increase Lender**") selected by the Company, each of which shall not be a member of the Group and which is further acceptable to the Agent (acting reasonably) and each of which confirms its willingness to assume and does assume all the obligations of a Lender corresponding to that part of the increased Facility A Commitment or Facility B Commitment which it is to assume as if it had been an Original Lender;

(B) each of the Obligors and the Increase Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Increase Lender would have assumed and/or acquired had the Increase Lender been an Original Lender;

(C) the Increase Lender shall become a Party as a "Lender" and any Increase Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Lender and those Finance Parties would have assumed and/or acquired had the Increase Lender been an Original Lender;

(D) the Facility A Commitments and the Facility B Commitments of the other Lenders shall continue in full force and effect; and

(E) the increase in the Facility A Commitments and the Facility B Commitments shall take effect on the date specified by the Company in the notice referred to in paragraph (i) above or any later date on which the conditions set out in paragraph (b) below are satisfied.

(b) An increase in the Facility A Commitments or the Facility B Commitments will only be effective on:

(i) receipt by the Agent of written confirmation (the "**Increase Confirmation**") from the Increase Lender substantially in the form set out in Schedule 11 (*Form of Increase Confirmation*) that the Increase Lender will assume the same obligations to the other Finance Parties as it would have assumed if it had been an Original Lender; and

(ii) in relation to an Increase Lender which is not a Lender immediately prior to the relevant increase, the performance by the Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that Increase Lender, the completion of which the Agent shall promptly notify to the Company and the Increase Lender.

(c) Each Increase Lender, by executing the Increase Confirmation, confirms (for the avoidance of doubt) that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective in accordance with this Agreement.

(d) The Company may pay to the Increase Lender a fee in the amount and at the times agreed between the Company and the Increase Lender in a Fee Letter. A reference in this Agreement to a Fee Letter shall include any letter referred to in this paragraph.

(e) Clause 24.4 (*Limitation of responsibility of Existing Lenders*) shall apply *mutatis mutandis* in this Clause 2.2 in relation to an Increase Lender as if references in that Clause to:

(i) an "**Existing Lender**" were references to all the Lenders immediately prior to the relevant increase;

(ii) the "**New Lender**" were references to that "**Increase Lender**"; and

(iii) a "**re-transfer**" and "**re-assignment**" were references to respectively a "transfer" and "assignment".

(f) Nothing in this Clause 2.2 obliges any Existing Lender to become or offer to become an Increase Lender.

2.3 **Finance Parties' rights and obligations**

(a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

(b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt.

(c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

2.4 **Obligors' Agent**

(a) Each Obligor (other than the Company) by its execution of this Agreement or an Accession Letter irrevocably appoints the Company to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:

(i) the Company on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including, in the case of a Borrower, Utilisation Requests), to execute on its behalf any Accession Letter, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Obligor notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and

(ii) each Finance Party to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Company,

and in each case the Obligor shall be bound as though the Obligor itself had given the notices and instructions (including, without limitation, any Utilisation Requests) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

(b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document on behalf of another Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such other Obligor became an Obligor under any Finance Document) shall be binding for all purposes on that Obligor as if that Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Obligor, those of the Obligors' Agent shall prevail.

2.5 **Extension of Facility A**

(a) The Company shall be entitled to extend the Termination Date of Facility A by a period of up to 12 Months (or, if the Company has previously elected to extend the Availability Period of Facility A under paragraph (d) of Clause 2.1, up to 6 Months) by giving notice to the Agent (the "**Extension Notice**") not less than 20 days before the original Termination Date in respect of Facility A (for the purposes of this Clause 2.5, the "**Original Facility A Termination Date**").

(b) Any Extension Notice shall:

(i) be in writing and must be unconditional; and

(ii) specify a revised Termination Date for Facility A which falls within the period referred to in paragraph (a) above (the "**Revised Facility A Termination Date**").

(c) Upon receipt by the Agent of an Extension Notice duly completed in accordance with paragraph (b) above and subject to no Event of Default having occurred which is continuing under Clause 23.1 (*Non-payment*) on the date on which the Agent receives such Extension Notice, the Revised Facility A Termination Date shall be for all purposes the Termination Date in respect of Facility A.

(d) The Agent shall promptly notify the Lenders of any extension of the Termination Date in respect of Facility A pursuant to this Clause 2.5.

(e) In the event the Termination Date for Facility A is extended pursuant to this Clause 2.5, the Company shall not later than the Original Facility A Termination Date pay to the Agent (for the account of each Facility A Lender) the Facility A Extension Fee.

## 3. PURPOSE

### 3.1 Purpose

The Relevant Borrower shall apply all amounts borrowed by it under a Facility towards:

(a) financing, directly or indirectly, the Acquisition (including but not limited to any interim holding or deposit or other payment of drawn funds pending application towards acquisition of shares in the Target or repayment of the Facilities);

(b) at any time after the settlement date of the Tender Offer, refinancing Financial Indebtedness of the Target and its Subsidiaries; and

(c) payment of the Acquisition Costs.

### 3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

## 4. CONDITIONS OF UTILISATION

### 4.1 Initial conditions precedent

No Borrower may deliver a Utilisation Request unless the Agent has received all of the documents and other evidence listed in Part 1 of Schedule 2 (*Conditions Precedent*) which must be delivered on or before the first Utilisation Date, in form and substance satisfactory to the Agent (other than the Tender Offer Document). The Agent shall notify the Company and the Lenders promptly upon being so satisfied.

### 4.2 Further conditions precedent

The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) in relation to a Utilisation if, on the date of the Utilisation Request and on the proposed Utilisation Date:

(a) no Major Default is continuing or would result from the proposed Utilisation; and

(b) the Major Representations to be made by each Obligor are true in all material respects.

### 4.3 Maximum number of Utilisations

A Borrower (or the Company) may not deliver a Utilisation Request if as a result of the proposed Utilisation more than 10 Loans would be outstanding.

4.4 **Utilisations during the Certain Funds Period**

(a) Except as set out in paragraph (b) below, during each Certain Funds Period, none of the Finance Parties shall be entitled to:

(i) cancel any of its Commitments to the extent that to do so would prevent or limit the making of a Certain Funds Utilisation;

(ii) rescind, terminate or cancel this Agreement or any of the Facilities or exercise any similar right or remedy or make or enforce any claim under the Finance Documents it may have to the extent that to do so would prevent or limit the making of a Certain Funds Utilisation;

(iii) refuse to participate in the making of a Certain Funds Utilisation;

(iv) exercise any right of set-off or counterclaim in respect of a Utilisation to the extent that to do so would prevent or limit the making of a Certain Funds Utilisation; or

(v) cancel, accelerate or cause repayment or prepayment of any amounts owing hereunder or under any other Finance Document to the extent that to do so would prevent or limit the making of a Certain Funds Utilisation,

**provided that** immediately upon the expiry of such Certain Funds Period all rights, remedies and entitlements shall be available to the Finance Parties notwithstanding that they may not have been used or been available for use during such Certain Funds Period.

(b) Paragraph (a) above does not apply if, and to the extent that, the entitlement arises because:

(i) in the case of sub-paragraph (a)(iii) above, Clause 4.1 (*Initial conditions precedent*) has not been complied with;

(ii) a Major Default is continuing or, in the case of sub-paragraph (a)(iii) above, a Major Default would result from the proposed Utilisation;

(iii) any of the Major Representations is not true and accurate;

(iv) Clause 7.1 (*Illegality*) applies; or

(v) Clause 8.1 (*Change of Control or Sale*) applies.

5. **UTILISATION – LOANS**

5.1 **Delivery of a Utilisation Request**

A Borrower (or the Company on its behalf) may utilise a Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

5.2 **Completion of a Utilisation Request for Loans**

(a) Each Utilisation Request for a Loan is irrevocable and will not be regarded as having been duly completed unless:

(i) it identifies the Borrower and the Facility to be utilised;

(ii) the proposed Utilisation Date is a Business Day within the Availability Period applicable to that Facility;

(iii) the amount of the Utilisation complies with Clause 5.3 (*Amount of Utilisation*); and

(iv) the proposed Interest Period complies with Clause 11 (*Interest Periods*).

(b) Multiple Utilisations may be requested in a single Utilisation Request.

5.3 **Amount of Utilisation**

The amount of the proposed Utilisation must be a minimum of US$25,000,000.

5.4 **Lenders' participation**

(a) If the conditions set out in this Agreement have been met, each Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office.

(b) The amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.

5.5 **Cancellation of Commitment**

(a) Any Commitment (or portion thereof) which is unutilised on the earlier of (a) the close of business on the Utilisation Date and (b) the last day of the Availability Period applicable thereto shall be immediately cancelled.

(b) The Total Commitments will automatically and immediately be cancelled in full if the Company notifies the Agent that the Acquisition has lapsed or has been withdrawn or otherwise terminated.

6. **REPAYMENT**

6.1 **Repayment of Loans**

(a) The Relevant Borrowers under Facility A shall repay the aggregate Facility A Loans borrowed by such Borrower in full on the relevant Termination Date.

(b) The Relevant Borrowers under Facility B shall repay the aggregate Facility B Loans borrowed by such Borrower in full on the relevant Termination Date.

## 7. ILLEGALITY, VOLUNTARY PREPAYMENT AND CANCELLATION

### 7.1 Illegality

If it becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in any Utilisation:

(a) that Lender shall promptly notify the Agent upon becoming aware of that event;

(b) upon the Agent notifying the Company of such notice, that Lender shall be immediately released from its obligations to participate in any Utilisations; and

(c) by written notice to the Agent, that Lender may:

(i) cancel its Commitment, and such Commitment shall be immediately cancelled upon the Agent notifying the Company of such notice; and/or

(ii) require prepayment of its participation in the Utilisations, and

the Relevant Borrower shall repay that Lender's participation in the Utilisations made to that Borrower on the last day of the Interest Period for each Utilisation occurring after the Agent has notified the Company or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law).

### 7.2 Voluntary cancellation

The Relevant Borrower may, if it gives the Agent not less than three Business Days (or such shorter period as the Majority Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of US$10,000,000) of an Available Facility. Any cancellation under this Clause 7.2 shall reduce the Commitments of the Lenders rateably under that Facility.

### 7.3 Voluntary prepayment

(a) A Borrower to which a Loan has been made may, if it or the Company gives the Agent not less than three Business Days (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of that Loan (but, if in part, being a minimum amount of US$25,000,000 and in multiples of US$1,000,000).

(b) A Loan may only be prepaid after the last day of the Availability Period applicable to the Facility (or, if earlier, the day on which the applicable Available Facility is zero).

7.4 **Right of cancellation and repayment in relation to a single Lender**

(a) If:

(i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause 14.2 (*Tax gross-up*); or

(ii) any Lender claims indemnification from the Company or an Obligor under Clause 14.3 (*Tax indemnity*) or Clause 15.1 (*Increased costs*),

the Relevant Borrower may, whilst the circumstance giving rise to the requirement for indemnification continues, give the Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Utilisations.

(b) On receipt of a notice referred to in paragraph (a) above in relation to a Lender, the Commitment of that Lender shall immediately be reduced to zero.

(c) On the last day of each Interest Period which ends after the Company has given notice under paragraph (a) above in relation to a Lender (or, if earlier, the date specified by the Company in that notice), the Relevant Borrower to which a Utilisation is outstanding shall repay that Lender's participation in that Utilisation together with all interest and other amounts accrued under the Finance Documents.

7.5 **Right of cancellation in relation to a Defaulting Lender**

(a) If any Lender becomes a Defaulting Lender, the Company may, at any time whilst the Lender continues to be a Defaulting Lender, give the Agent notice of cancellation of each Available Commitment of that Lender.

(b) On receipt of a notice referred to in paragraph (a) above, each Available Commitment of the Defaulting Lender shall immediately be reduced to zero.

(c) The Agent shall as soon as practicable after receipt of a notice referred to in paragraph (a) above, notify all the Lenders.

8. **MANDATORY PREPAYMENT**

8.1 **Change of Control or Sale**

Upon:

(a) the occurrence of a Change of Control; or

(b) a Sale:

(i) the Company shall notify the Agent upon becoming aware of such Change of Control or Sale;

(ii) after such notice, a Lender shall not be obliged to fund any Utilisation (other than a Rollover Loan);

(iii) any Lender may, by not less than thirty (30) days' written notice to the Agent, cancel its undrawn Commitment and require repayment of its participation in the Utilisations, together with accrued interest thereon and all other amounts owed to it under the Finance Documents; and

(iv) the Company shall procure that the Relevant Borrower repay any Lender which delivers a notice to the Agent pursuant to paragraph (c) above on the date falling thirty (30) days after receipt by the Agent of such notice,

**provided that** paragraphs (ii), (iii) and (iv) above shall only become effective with respect to a Change of Control, if the Shareholders' Approval has been obtained and an extract of the resolution containing the Shareholders' Approval has been duly filed with the clerk of the relevant commercial court in accordance with article 556 of the Belgian Companies Code.

8.2 **Bond Issuance Proceeds**

(a) For the purposes of this Clause 8.2:

"**Bond Issuance**" means the issuance of debt securities (other than commercial paper or any equivalent short term capital market instrument) by a member of the Group (other than an Excluded Subsidiary) in the public international debt capital markets;

"**Bond Issuance Proceeds**" means any cash proceeds received by any member of the Group (other than an Excluded Subsidiary) pursuant to any Bond Issuance after the Utilisation Date except for Excluded Bond Issuance Proceeds and after deducting:

(i) any expenses which are incurred by any member of the Group with respect to that Bond Issuance to persons who are not members of the Group; and

(ii) any Tax incurred and required to be paid by a member of the Group in connection with that Bond Issuance (as reasonably determined by the issuer); and

"**Excluded Bond Issuance Proceeds**" means the proceeds of any Bond Issuance which are applied towards scheduled or other mandatory repayments, prepayments, redemptions or mandatory offers to repurchase of Financial Indebtedness existing or arising under or pursuant to any agreement or other arrangements in existence on the date of this Agreement (disregarding any amendments made to any such agreement or arrangement after the date of this Agreement).

(b) Subject to Clause 8.4 (*General*), after the date on which Facility A has been utilised, the Company shall ensure that the Relevant Borrower prepays the Facility A Loans by an amount equal to the amount of Bond Issuance Proceeds received by a member of the Group (other than an Excluded Subsidiary) in accordance with Clause 8.3 (*Application of prepayments*).

8.3 **Application of prepayments**

(a) Any prepayment made under Clause 7.3 (*Voluntary prepayment*) or Clause 8.2 (*Bond Issuance Proceeds*) shall be applied first in prepayment of the Facility A Loans.

(b) Unless the Company makes an election under paragraph (c) below, the Relevant Borrower shall make any prepayment required under Clause 8.2 (*Bond Issuance Proceeds*) on the last day of the current Interest Period.

(c) The Company may, by giving the Agent not less than three Business Days' (or such shorter period as the Majority Lenders may agree) prior written notice, elect that any prepayment under Clause 8.2 (*Bond Issuance Proceeds*) be applied in prepayment promptly upon receipt of those proceeds. Any such notice shall specify the prepayment date, which in any event shall be no later than the required date for prepayment under paragraph (b) above. Any notice delivered under this paragraph (c) is irrevocable.

(d) Unless the Company makes an election under paragraph (c) above then a proportion of the Loan(s) equal to the amount of the relevant prepayment will be due and payable on the last day of its Interest Period.

## 9. RESTRICTIONS

9.1 **Notices of Cancellation or Prepayment**

Any notice of cancellation or prepayment given by any Party under Clause 7 (*Illegality, Voluntary Prepayment and Cancellation*) shall (subject to the terms thereof) be irrevocable and, unless a contrary indication appears in this Agreement, any such notice shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

9.2 **Interest and other amounts**

Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

9.3 **No reborrowing of Facilities**

Subject to Clause 25.8 (*Change of Borrower*), no Borrower may reborrow any part of a Facility which is prepaid.

9.4 **Prepayment in accordance with Agreement**

No Borrower shall repay or prepay all or any part of the Utilisations or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

9.5 **No reinstatement of Commitments**

Subject to Clause 2.2 (*Increase*), no amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

9.6 **Agent's receipt of Notices**

If the Agent receives a notice under Clause 7 (*Illegality, Voluntary Prepayment and Cancellation*), it shall promptly forward a copy of that notice or election to either the Company or the affected Lender, as appropriate.

## 10. INTEREST

### 10.1 Calculation of interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

(a) Margin;

(b) LIBOR; and

(c) Mandatory Cost, if any.

### 10.2 Payment of interest

The Relevant Borrower shall pay accrued interest on that Loan on the last day of each Interest Period (and, if the Interest Period is longer than six Months, on the dates falling at six monthly intervals after the first day of the Interest Period).

### 10.3 Default interest

(a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is two per cent. higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 10.3 shall be immediately payable by the Obligor on demand by the Agent.

(b) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:

(i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and

(ii) the rate of interest applying to the overdue amount during that first Interest Period shall be two per cent. higher than the rate which would have applied if the overdue amount had not become due.

(c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

10.4 **Notification of rates of interest**

The Agent shall promptly notify the Lenders and the Relevant Borrower (or the Company) of the determination of a rate of interest under this Agreement.

## 11. INTEREST PERIODS

### 11.1 Selection of Interest Periods

(a) The Relevant Borrower (or the Company on behalf of a Borrower) may select an Interest Period for a Loan in the Utilisation Request for that Loan or in a Selection Notice.

(b) Each Selection Notice for a Loan is irrevocable and must be delivered to the Agent by the Relevant Borrower (or the Company on behalf of the Borrower) to which that Loan was made not later than the Specified Time.

(c) If a Borrower (or the Company) fails to deliver a Selection Notice to the Agent in accordance with paragraph (b) above, the relevant Interest Period will be one Month.

(d) Subject to this Clause 11, a Borrower (or the Company) may select an Interest Period of one Month, two, three or six Months or any other period agreed between the Company and the Agent (acting on the instructions of all the Lenders).

(e) An Interest Period for a Loan shall not extend beyond the Termination Date applicable to its Facility.

(f) Each Interest Period for a Loan shall start on the Utilisation Date or (if already made) on the last day of its preceding Interest Period.

### 11.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

### 11.3 Consolidation and division of Loans

(a) Subject to paragraph (b) below, if two or more Interest Periods:

(i) relate to Loans made under the same Facility in the same currency;

(ii) end on the same date; and

(iii) are made to the same Borrower,

those Loans will, unless that Borrower (or the Company on its behalf) specifies to the contrary in the Selection Notice for the next Interest Period, be consolidated into, and treated as, a single Loan on the last day of the Interest Period.

(b) Subject to Clause 4.3 (*Maximum number of Utilisations*), and Clause 5.3 (*Amount of Utilisation*) if the Relevant Borrower (or the Company on its behalf) requests in a Selection Notice that a Loan be divided into two or more Loans, that Loan will, on the last day of its Interest Period, be so divided with amounts specified in that Selection Notice in aggregate equal to the amount of the Loan immediately before its division.

## 12. CHANGES TO THE CALCULATION OF INTEREST

### 12.1 Absence of quotations

Subject to Clause 12.2 (*Market disruption*), if LIBOR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by the Specified Time on the Quotation Day, the applicable LIBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

### 12.2 Market disruption

(a) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender's share of that Loan for the Interest Period shall be the percentage rate per annum which is the sum of:

(i) the Margin;

(ii) the rate notified to the Agent by that Lender as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select; and

(iii) the Mandatory Cost, if any, applicable to that Lender's participation in the Loan.

(b) In this Agreement:

"**Market Disruption Event**" means:

(i) at or about noon on the Quotation Day for the relevant Interest Period the Screen Rate is not available and none or only one of the Reference Banks supplies a rate to the Agent to determine LIBOR for the relevant currency and Interest Period; or

(ii) before close of business in London on the Quotation Day for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 30 per cent. of that Loan) that the cost to it of obtaining matching deposits in the Relevant Interbank Market would be in excess of LIBOR.

### 12.3 Alternative basis of interest or funding

(a) If a Market Disruption Event occurs and the Agent or the Company so requires, the Agent and the Company shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.

(b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders and the Company, be binding on all Parties.

12.4 **Break Costs**

(a) The Relevant Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.

(b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

13. **FEES**

13.1 **Ticking fee**

(a) The Company or ABIWW shall pay to the Agent (for the account of each Lender) a ticking fee in US Dollars in respect of each Lender's Available Commitment under each Facility from (and excluding) the date of this Agreement until the earlier of the (i) Utilisation Date and (ii) the date on which the respective Facility is cancelled in full as follows:

(i) [****] per cent. per annum during the first 12 months of the Availability Period; and

(ii) in the event of any extension of the Availability Period pursuant to paragraph (d) of Clause 2.1 (*The Facilities*), [****] per cent. per annum thereafter,

in each case on the amount of each Lender's Available Commitment from day to day under each Facility.

(b) The accrued ticking fee is payable (i) on the last day of each successive period of three Months during the Availability Period, (ii) on the Utilisation Date and (iii) on the date on which the Commitment of any Lender under the respective Facility is cancelled in full.

13.2 **Bookrunning fee**

The Company or ABIWW shall pay to the Bookrunners a facility fee and an arrangement fee in the amount and at the times agreed in a Fee Letter.

13.3 **Agency fee**

The Company or ABIWW shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

## 14. TAX GROSS UP AND INDEMNITIES

### 14.1 Definitions

In this Agreement:

"**Belgian Qualifying Lender**" means a Lender which is beneficially entitled to receive any interest payment made in respect of a Loan by a Belgian Obligor without a Tax Deduction due to being:

(i) a credit institution which is a company resident for tax purposes in Belgium or which is acting through a Facility Office established in Belgium, as referred to in the law of 22 March 1993 regarding the supervision of credit institutions;

(ii) a credit institution within the meaning of article 107, §2, 5, a), second dash of the Royal Decree implementing the Belgian Income Tax Code which is acting through its head office and which is resident for tax purposes in a member state of the European Economic Area or in a country with which Belgium has entered into a double taxation agreement that is in force (irrespective of whether such agreement provides an exemption from tax imposed by Belgium);

(iii) a credit institution within the meaning of article 107, §2, 5, a), second dash of the Royal Decree implementing the Belgian Income Tax Code, that is acting through a Facility Office which (i) itself qualifies as a credit institution within the meaning of the aforementioned article 107, §2, 5, a), second dash and (ii) is located in a member state of the European Economic Area or in a country with which Belgium has entered into a double taxation agreement that is in force (irrespective of whether or not the double taxation agreement makes provision for exemption from tax imposed by Belgium); or

(iv) a Treaty Lender.

"**Protected Party**" means a Finance Party which is or will be subject to any liability or required to make any payment for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

"**Qualifying Lender**" means a Lender beneficially entitled to interest payable to that Lender in respect of a Loan made under the Finance Documents and which is:

(i) in respect of a Belgian Obligor, a Belgian Qualifying Lender;

(ii) in respect of a Borrower tax resident in U.S., a US Qualifying Lender; or

(iii) a Treaty Lender.

"**Tax Credit**" means a credit against, relief or remission for, or repayment of, any Tax.

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Finance Document.

"**Tax Payment**" means either the increase in a payment made by an Obligor to a Finance Party under Clause 14.2 (*Tax gross-up*) or a payment under Clause 14.3 (*Tax indemnity*).

"**Treaty Lender**" means in respect of a jurisdiction, a Lender entitled under the provisions of a double taxation treaty to receive payments of interest from an Obligor that is tax resident in such jurisdiction or that has a permanent establishment in such jurisdiction to which the advances under the Finance Documents are effectively connected without a Tax Deduction (subject to the completion of any necessary procedural formalities).

"**US Qualifying Lender**" means a Lender which is:

(i) a "United States person" within the meaning of Section 7701(a)(30) of the Code, provided such Lender timely has delivered to the Agent for transmission to the Obligor making such payment two original copies of IRS Form W-9 (or any successor form) either directly or under cover of IRS Form W-8IMY (or any successor form) certifying its status as a "United States person"; or

(ii) a Treaty Lender with respect to the United States of America, provided such Lender timely has delivered to the Agent for transmission to the Obligor making such payment two original copies of IRS Form W-8BEN (or any successor form) either directly or under cover of IRS Form W-8IMY (or any successor form) certifying its entitlement to receive such payments without any such deduction or withholding under the applicable double taxation treaty; or

(iii) entitled to receive payments under the Finance Documents without deduction or withholding of any United States federal income Taxes either as a result of such payments being effectively connected with the conduct by such Lender of a trade or business within the United States or under the portfolio interest exemption, provided such Lender timely has delivered to the Agent for transmission to the Obligor making such payment two original copies of either (A) IRS Form W-8ECI (or any successor form) either directly or under cover of IRS Form W-8IMY (or any successor form) certifying that the payments made pursuant to the Finance Documents are effectively connected with the conduct by that Lender of a trade or business within the United States or (B) IRS Form W-8BEN (or any successor form) either directly or under cover of IRS Form W-8IMY (or any successor form) claiming exemption from withholding in respect of payments made pursuant to the Finance Documents under the portfolio interest exemption and a statement certifying that such Lender is not a person described in Section 871(h)(3)(B) or Section 881(c)(3) of the Code or (C) such other

applicable form prescribed by the IRS certifying as to such Lender's entitlement to exemption from United States withholding tax with respect to all payments to be made to such Lender under the Finance Documents.

For purposes of paragraphs (i), (ii) and (iii) above, in the case of a Lender that is not treated as the beneficial owner of the payment (or a portion thereof) under Chapter 3 and related provisions (including Sections 871, 881, 3406, 6041, 6045 and 6049) of the Code, the term "**Lender**" shall mean the person who is so treated as the beneficial owner of the payment (or portion thereof).

Unless a contrary indication appears, in this Clause 14 a reference to "**determines**" or "**determined**" means a determination made in the absolute discretion of the person making the determination.

14.2 **Tax gross-up**

(a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.

(b) The Company shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Company and that Obligor.

(c) If a Tax Deduction is required by law to be made by an Obligor or the Agent, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(d) A Borrower is not required to make an increased payment to a Lender under paragraph (c) above for a Tax Deduction:

(i) in respect of tax imposed by Belgium, Luxembourg or the United States from a payment of interest on a Loan, if on the date on which the payment falls due:

(A) the payment could have been made to the relevant Lender without a Tax Deduction if it was a Qualifying Lender, but on that date that Lender is not or has ceased to be a Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or Treaty, or any published practice or concession of any relevant taxing authority;

(B) the relevant Lender is a Qualifying Lender and the Obligor making the payment is able to demonstrate that the payment

could have been made to the Lender without the Tax Deduction or with a reduced Tax Deduction had that Lender complied with its obligations under paragraph (g) below, to the extent of such possible reduction; or

(C) such Tax Deduction is required in respect of the Luxembourg law(s) implementing the EU Savings Directive (Council Directive 2003/48/EC) and several agreements entered into between Luxembourg and some EU dependent and associated territories or the Luxembourg law of 23 December 2005; or

(ii) which arises as a result of FATCA.

(e) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(f) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

(g) A Qualifying Lender and each Obligor which makes a payment to which that Qualifying Lender is entitled shall co-operate in completing any procedural formalities necessary for that Obligor to obtain authorisation or to be allowed under the applicable law to make that payment without a Tax Deduction or with a reduced Tax Deduction.

14.3 **Tax indemnity**

(a) The Company or ABIWW shall (within ten Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document or the transactions occurring under such Finance Document.

(b) Paragraph (a) above shall not apply:

(i) with respect to any Tax assessed on a Finance Party:

(A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or

(B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or

(ii) to the extent a loss, liability or cost:

(A) is compensated for by an increased payment under Clause 14.2 (*Tax gross-up*); or

(B) would have been compensated for by an increased payment under Clause 14.2 (*Tax gross-up*) but was not so compensated solely because one of the exclusions in paragraph (d) of Clause 14.2 (*Tax gross-up*) applied.

(c) A Protected Party making, or intending to make a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Company.

(d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 14.3, notify the Agent.

14.4 **Tax Credit**

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

(a) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part or to that Tax Payment; and

(b) that Finance Party has obtained, utilised and retained that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

14.5 **Stamp taxes**

The Company or ABIWW shall pay and, within ten Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration, excise and other similar Taxes payable in respect of any Finance Document except for any such Tax payable in connection with the entry into a Transfer Certificate and, with respect to Luxembourg registration duties (*droits d'enregistrement*), any Luxembourg tax payable due to a registration of a Finance Document when such registration is not required to maintain or preserve the rights of any Finance Party.

14.6 **Value added tax**

(a) All amounts set out, or expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for VAT purposes shall be deemed to be exclusive of any VAT which is chargeable on such supply, and accordingly, subject to paragraph (c) below, if VAT is chargeable on any supply made by any Finance Party to any

Party under a Finance Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the VAT (and such Finance Party shall promptly provide an appropriate VAT invoice to such Party), or where applicable, directly account for such VAT at the appropriate rate under the reverse charge procedure provided for by articles 44 and 196 of the European Directive 2006/112/EC (replacing European Directive 77/388/EC) and any relevant tax provisions of the jurisdiction in which such Party receives such supply (in which case no amount equal to the amount of VAT will be due to the Finance Party).

(b) If VAT is chargeable on any supply made by any Finance Party (the "**Supplier**") to any other Finance Party (the "**Recipient**") under a Finance Document, and any Party (the "**Relevant Party**") is required by the terms of any Finance Document to pay an amount equal to the consideration for such supply to the Supplier (rather than being required to reimburse the Recipient in respect of that consideration), such Party shall also pay (as the case may be) to the Recipient or to the Supplier (in addition to and at the same time as paying such amount) an amount equal to the amount of such VAT. The Recipient will promptly pay to the Relevant Party an amount equal to any credit or repayment from the relevant tax authority which it reasonably determines relates to the VAT chargeable on that supply.

(c) Where a Finance Document requires any Party to reimburse a Finance Party for any costs or expenses, that Party shall also at the same time pay and indemnify the Finance Party against all VAT incurred by the Finance Party in respect of the costs or expenses to the extent that the Finance Party reasonably determines that neither it nor any other member of any group of which is a member for VAT purposes is entitled to credit or repayment from the relevant tax authority in respect of the VAT.

14.7 **FATCA Deduction by a Finance Party**

(a) Each Finance Party may make any FATCA Deduction it is required by FATCA to make, and any payment required in connection with that FATCA Deduction, and no Finance Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction.

(b) A Finance Party shall promptly upon becoming aware that it must make a FATCA Deduction in respect of a payment to another Finance Party (or that there is any change in the rate or the basis of such FATCA Deduction) notify the Company, the relevant Obligor and the relevant Finance Party.

## 15. INCREASED COSTS

15.1 **Increased costs**

(a) Subject to Clause 15.3 (*Exceptions*) the Company or ABIWW shall, within ten Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the date of this Agreement.

(b) In this Agreement "**Increased Costs**" means:

(i) a reduction in the rate of return from a Facility or on a Finance Party's (or its Affiliate's) overall capital;

(ii) an additional or increased cost; or

(iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document.

15.2 **Increased cost claims**

(a) A Finance Party intending to make a claim pursuant to Clause 15.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Company.

(b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

15.3 **Exceptions**

(a) Clause 15.1 (*Increased costs*) does not apply to the extent any Increased Cost is:

(i) attributable to a Tax Deduction required by law to be made by an Obligor;

(ii) compensated for by Clause 14.3 (*Tax indemnity*) (or would have been compensated for under Clause 14.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 14.3 (*Tax indemnity*) applied);

(iii) compensated for by the payment of the Mandatory Cost;

(iv) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation; or

(b) attributable to the implementation or application of or compliance with the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement ("**Basel II**") or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).

(c) In this Clause 15.3 reference to a "**Tax Deduction**" has the same meaning given to the term in Clause 14.1 (*Definitions*).

16. **OTHER INDEMNITIES**

16.1 **Currency indemnity**

(a) If any sum due from an Obligor under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

(i) making or filing a claim or proof against that Obligor; or

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within ten Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

16.2 **Other indemnities**

The Company or ABIWW shall (or shall procure that an Obligor will), within ten Business Days of demand, indemnify each Finance Party against any cost, loss or liability incurred by that Finance Party as a result of:

(a) the occurrence of any Event of Default;

(b) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 28 (*Sharing among the Finance Parties*);

(c) funding, or making arrangements to fund, its participation in a Utilisation requested by a Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or

(d) a Utilisation (or part of a Utilisation) not being prepaid in accordance with a notice of prepayment given by a Borrower or the Company.

16.3 **Indemnity to the Agent**

The Company or ABIWW shall within ten Business Days of demand indemnify the Agent against any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:

(a) investigating any event which it reasonably believes is a Default;

(b) entering into or performing any foreign exchange contract for the purposes of paragraph (b) of Clause 29.10 (*Change of currency*); or

(c) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised.

16.4 **Indemnity to the Bookrunners and certain other parties**

(a) The Company shall within a reasonable period following demand indemnify each Indemnified Person against any cost, expense, loss or liability (including, without limitation, legal fees) incurred by or awarded against that Indemnified Person in each case arising out of or in connection with any action, claim, investigation or proceeding commenced or threatened (including, without limitation, any action, claim, investigation or proceeding to preserve or enforce rights) in relation to:

(i) the actual or contemplated use of the proceeds of the Facilities;

(ii) the Acquisition;

(iii) any Finance Document; and/or

(iv) the arranging or underwriting of the Facilities.

(b) The Company will not be liable under paragraph (a) above for any cost, expense, loss or liability (including, without limitation, legal fees) incurred by or awarded against an Indemnified Person if that cost, expense, loss or liability results directly or indirectly from any breach by that Indemnified Person of any Finance Document or which results directly or indirectly from the negligence, breach of contract or wilful misconduct of that Indemnified Person.

(c) For the purposes of this Clause 16.4:

"**Indemnified Person**" means each Bookrunner, each person who is a Lender on the Utilisation Date, the Agent and, in each case, any of their respective Affiliates and each of their (or their respective Affiliates') respective directors, officers, employees and agents.

(d) If any event occurs in respect of which indemnification may be sought from the Company, the relevant Indemnified Person shall only be indemnified if it notifies the Company in writing within a reasonable time after the relevant Indemnified Person becomes aware of such event, consults with the Company fully and promptly with respect to the conduct of the relevant claim, action or proceeding, conducts such claim action or proceeding properly and diligently

(to the extent permitted by law and without being under any obligation to disclose any information which it is not lawfully permitted to disclose) and, in relation to any monetary or other claim in respect of which the Company will have an obligation to indemnify the relevant Indemnified Person, does not settle any such claim, action or proceeding without the Company's prior written consent (such consent not to be unreasonably withheld or delayed (and deemed to be granted if not withheld in writing within five Business Days of demand)).

(e) No Bookrunner or Lender nor the Agent shall have any duty or obligation, whether as fiduciary for any Indemnified Person or otherwise, to recover any payment made or required to be made under paragraphs (a) to (d) above.

(f) The Company agrees that no Indemnified Person shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company or any of its Affiliates for or in connection with anything referred to in paragraphs (a) to (d) above except for any cost, expense, loss or liability incurred by the Company that results directly or indirectly from any breach by that Indemnified Person of any Finance Document or which results directly or indirectly from the negligence, breach of contract or wilful misconduct of that Indemnified Person.

(g) The Contracts (Rights of Third Parties) Act 1999 shall apply to this Clause 16.4 but only for the benefit of the Indemnified Persons, subject always to the terms of paragraph (b) of Clause 1.6 (*Third party rights*) and Clauses 38 (*Governing Law*) and 39 (*Jurisdiction*).

## 17. MITIGATION BY THE LENDERS

### 17.1 Mitigation

(a) Each Finance Party shall, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which would result in any Facility ceasing to be available or any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (*Illegality*), Clause 14 (*Tax Gross Up and Indemnities*) or Clause 15 (*Increased Costs*) or paragraph 3 of Schedule 4 (*Mandatory Cost Formula*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

(b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

### 17.2 Limitation of liability

(a) The Company shall indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 17.1 (*Mitigation*).

(b) A Finance Party is not obliged to take any steps under Clause 17.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

## 18. COSTS AND EXPENSES

### 18.1 Transaction expenses

The Company or ABIWW shall within ten Business Days of demand pay the Agent and the Bookrunners the amount of all costs and expenses (including legal fees subject to any agreement on legal fees) reasonably incurred by any of them in connection with the negotiation, preparation, printing and execution of:

(a) this Agreement and any other documents referred to in this Agreement; and

(b) any other Finance Documents executed after the date of this Agreement.

### 18.2 Amendment costs

If (a) an Obligor requests an amendment, waiver or consent or (b) an amendment is required pursuant to Clause 29.10 (*Change of currency*), the Company shall, within ten Business Days of demand, reimburse the Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by the Agent in responding to, evaluating, negotiating or complying with that request or requirement.

### 18.3 Enforcement and preservation costs

The Company or ABIWW shall, within ten Business Days of demand, pay to each Finance Party the amount of all costs and expenses (including legal fees) incurred by that Finance Party in connection with the enforcement of or the preservation of any rights under any Finance Document.

## 19. GUARANTEE AND INDEMNITY

### 19.1 Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

(a) guarantees to each Finance Party punctual performance by each Borrower of all that Borrower's obligations under the Finance Documents;

(b) undertakes with each Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and

(c) indemnifies each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.

19.2 **Continuing Guarantee**

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

19.3 **Reinstatement**

If any payment by an Obligor or any discharge given by a Finance Party (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

(a) the liability of each Obligor shall continue as if the payment, discharge, avoidance or reduction had not occurred; and

(b) each Finance Party shall be entitled to recover the value or amount of that security or payment from each Obligor, as if the payment, discharge, avoidance or reduction had not occurred.

19.4 **Waiver of defences**

The obligations of each Guarantor under this Clause 19 will not be affected by an act, omission, matter or thing which, but for this Clause 19, would reduce, release or prejudice any of its obligations under this Clause 19 (without limitation and whether or not known to it or any Finance Party) including:

(a) any time, waiver or consent granted to, or composition with, any Obligor or other person;

(b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;

(e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or

(g) any insolvency or similar proceedings.

19.5 **Guarantor Intent**

Without prejudice to the generality of Clause 19.4 (*Waiver of defences*), each Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

19.6 **Immediate recourse**

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 19. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

19.7 **Appropriations**

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

(a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and

b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this Clause 19.

19.8 **Deferral of Guarantors' rights**

Without prejudice to the obligations of the Company under the Parent Contribution Agreement, until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents (other than pursuant to the Parent Contribution Agreement):

(a) to be indemnified by an Obligor;

(b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents; and/or

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party.

If a Guarantor receives any benefit, payment or distribution in relation to such rights (other than pursuant to the Parent Contribution Agreement) it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 29 (*Payment Mechanics*) of this Agreement.

19.9 **Release of Guarantors' right of contribution**

If any Guarantor (a "**Retiring Guarantor**") ceases to be a Guarantor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Retiring Guarantor then on the date such Retiring Guarantor ceases to be a Guarantor:

(a) that Retiring Guarantor is released by each other Guarantor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor arising by reason of the performance by any other Guarantor of its obligations under the Finance Documents; and

(b) each other Guarantor waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under any Finance Document or of any other security taken pursuant to, or in connection with, any Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Guarantor.

19.10 **Additional security**

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

19.11 **Guarantee limitations**

(a) Notwithstanding any other provisions of this Agreement, the maximum aggregate liability of Brandbrew pursuant to this Clause 19 and as a guarantor under the Other Brandbrew Guaranteed Facilities shall not exceed an amount equal to the aggregate of (without double counting):

(i) the aggregate amount of all moneys received by Brandbrew and its Subsidiaries as a borrower or issuer under this Agreement and the Other Brandbrew Guaranteed Facilities;

(ii) the aggregate amount of all outstanding intercompany loans made to Brandbrew and its Subsidiaries by other members of the Group which have been directly or indirectly funded using the proceeds of borrowings under this Agreement or the Other Brandbrew Guaranteed Facilities; and

(iii) an amount equal to 100% of the greater of:

(A) the sum of Brandbrew's own capital (*capitaux propres*) and its subordinated debt (*dettes subordonnées*) (other than any subordinated debt already accounted for under sub-paragraph (ii) above) (both as referred to in article 34 of the Luxembourg Law of 2002) as reflected in Brandbrew's then most recent annual accounts approved by the competent organ of Brandbrew (as audited by its *réviseur d'entreprises* (external auditor), if required by law); and

(B) the sum of Brandbrew's own capital (*capitaux propres*) and its subordinated debt (*dettes subordonnées*) (other than any subordinated debt already accounted for under sub-paragraph (ii) above) (both as referred to in article 34 of the Luxembourg Law of 2002) as reflected in its filed annual accounts available as at the date of this Agreement.

(b) For the avoidance of doubt, the limitation referred to in paragraph (a) above shall not apply to the guarantee by Brandbrew of any obligations owed by its Subsidiaries under the Finance Document or under any Other Brandbrew Guaranteed Facilities.

(c) In addition to the limitation referred to in paragraph (a) above, the obligations and liabilities of Brandbrew under this Agreement or under any Other Brandbrew Guaranteed Facilities shall not include any obligation which, if incurred, would constitute a breach of the provisions on financial assistance as defined by article 49-6 of the Luxembourg Law on Commercial Companies dated 10 August 1915, as amended, to the extent such or an equivalent provision is applicable to Brandbrew.

(d) Brandbrew hereby expressly accepts and confirms, for the purposes of article 1281 of the Luxembourg civil code, that notwithstanding any assignment, transfer and/or novation permitted under, and made in accordance with the provisions of this Agreement, the guarantee given under this Agreement shall be preserved for the benefit of any new Lender and Brandbrew hereby accepts and confirms the aforementioned.

19.12 **Additional Guarantor limitations**

The obligations of any Additional Guarantor under this Clause 19 are subject to any limitations set out in the Accession Letter pursuant to which that Additional Guarantor becomes a party to this Agreement.

## 20. REPRESENTATIONS

### 20.1 General

Each Obligor makes the representations and warranties set out in this Clause 20 to each Finance Party on the date of this Agreement, save for the representation given in Clause 20.10 (*Financial Statements*) with respect to the Original Financial Statements which shall be made on the date they are delivered.

### 20.2 Status

(a) It is a corporation, partnership (whether or not having separate legal personality) or other corporate body duly incorporated or organised and validly existing under the law of its jurisdiction of incorporation or organisation.

(b) It and each of its Subsidiaries has the power to own its assets and carry on its business as it is being conducted in all material respects.

### 20.3 Binding obligations

Subject to the Legal Reservations, the obligations expressed to be assumed by it in each Finance Document, to which it is a party are legal, valid, binding and enforceable obligations.

### 20.4 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents to which it is a party do not and will not conflict with:

(a) any law or regulation applicable to it;

(b) the constitutional documents of any Obligor or Material Subsidiary; or

(c) any agreement or instrument binding upon it or any of its Subsidiaries or any of its or its Subsidiaries' assets to an extent which would reasonably be expected to have a Material Adverse Effect.

### 20.5 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

### 20.6 Validity and admissibility in evidence

All Authorisations required or desirable:

(a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and

(b) to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation,

have been obtained or effected and are in full force and effect.

20.7 **Governing law and enforcement**

(a) Subject to the Legal Reservations, the choice of English law as the governing law of the Finance Documents will be recognised and enforced in its jurisdiction of incorporation or organisation.

(b) Subject to the Legal Reservations, any judgment obtained in England in relation to a Finance Document will be recognised and enforced in its jurisdiction of incorporation or organisation.

20.8 **No default**

(a) Save as otherwise notified to the Agent, no Default is continuing or would reasonably be expected to result from the making of any Utilisation.

(b) No other event or circumstance is outstanding which constitutes a default under (i) any other agreement or instrument which is binding on it or any of its Subsidiaries or (ii) to which its (or any of its Subsidiaries') assets are subject which, in either case, would reasonably be expected to have a Material Adverse Effect.

20.9 **No misleading information**

(a) Any written factual information (which for this purpose excludes any projections or forward looking statements) regarding the Company or its Subsidiaries (as at the date of this Agreement) provided to the Bookrunners by or on behalf of the Company or any other member of the Group in connection with the Facilities (the "**Information**") is true and accurate in all material respects as at the date it is provided or as at the date (if any) at which it is stated and when taken as a whole.

(b) Nothing has occurred or been omitted and no information has been given or withheld that results in the Information, taken as a whole, being untrue or misleading in any material respect.

(c) Any projections contained in the Information have been prepared in good faith on the basis of recent historical information and on the basis of assumptions believed by the preparer to be reasonable as at the time such assumptions were made, it being understood that projections are as to future events and are not to be viewed as facts.

20.10 **Financial statements**

(a) The Company's Original Financial Statements were prepared in accordance with the Accounting Principles consistently applied.

(b) The Company's Original Financial Statements fairly represent its consolidated financial condition and operations during the relevant financial year.

20.11 **Pari passu ranking**

Its payment obligations under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally in any relevant jurisdiction.

20.12 **No proceedings pending or threatened**

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which would reasonably be expected to have a Material Adverse Effect, have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

20.13 **ERISA and Multiemployer Plans**

(a) With respect to any Plan, no ERISA Event has occurred or, subject to the passage of time, is reasonably expected to occur that has resulted in or would reasonably be expected to have a Material Adverse Effect.

(b) To the best of the knowledge and belief of the relevant Obligors, (i) Schedule B (*Actuarial Information*) to the most recent annual report (Form 5500 Series) filed with the IRS by any Obligor or ERISA Affiliate with respect to any Plan and furnished to the Agent is not incomplete or inaccurate in any respects which would reasonably be expected to have a Material Adverse Effect and does not unfairly present the funding status of such Plan to the extent which would reasonably be expected to have a Material Adverse Effect, and (ii) since the date of such Schedule B, there has been no change in such funding status which would reasonably be expected to have a Material Adverse Effect.

(c) Neither any U.S. Obligor nor any ERISA Affiliate has incurred or, so far as the relevant Obligors are aware, is reasonably expected to incur any Withdrawal Liability to any Multiemployer Plan which has or would reasonably be expected to have a Material Adverse Effect.

(d) Neither any Obligor nor any ERISA Affiliate has been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganisation or has been terminated, within the meaning of Title IV of ERISA, and, so far as the relevant Obligors are aware, no such Multiemployer Plan is reasonably expected to be in reorganisation or to be terminated, within the meaning of Title IV of ERISA, in each case and to the extent that such reorganisation or termination would reasonably be expected to have a Material Adverse Effect.

(e) The Obligors and their ERISA Affiliates are in compliance in all respects with the presently applicable provisions of ERISA and the Code with respect to each Plan and Multiemployer Plan, except for failures to so comply which would not reasonably be expected to have a Material Adverse Effect. No condition exists or event or transaction has occurred with respect to any Plan

or Multiemployer Plan which would reasonably be expected to result in the incurrence by any Obligor or any ERISA Affiliate of any liability, fine or penalty which would reasonably be expected to have a Material Adverse Effect.

(f) No assets of an Obligor constitute the assets of any Plan within the meaning of the U.S. Department of Labor Regulation § 2510.3-101 to an extent which would reasonably be expected to have a Material Adverse Effect.

20.14 **Investment Companies**

Neither the Company nor any Borrower is registered, or is required to be registered, as an "investment company" under the U.S. Investment Company Act of 1940, as amended.

20.15 **Federal Regulations**

The use of the proceeds of each Utilisation in accordance with the terms of this Agreement does not violate Regulations T, U or X promulgated by the Board of Governors of the Federal Reserve System of the United States.

20.16 **Times when representations made**

(a) All the representations and warranties in this Clause 20 are made by each Original Obligor on the date of this Agreement save for the representation given in Clause 20.10 (*Financial Statements*) with respect to the Original Financial Statements which shall be made on the date they are delivered.

(b) The Repeating Representations are deemed to be made by each Obligor on the date of each Utilisation Request, on each Utilisation Date and on the first day of each Interest Period.

(c) The Repeating Representations are deemed to be made by each Additional Obligor on the day on which it becomes (or it is proposed that it becomes) an Additional Obligor.

(d) Each representation or warranty deemed to be made after the date of this Agreement shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

## 21. INFORMATION UNDERTAKINGS

The undertakings in this Clause 21 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

21.1 **Financial statements**

The Company shall supply to the Agent in sufficient copies for all the Lenders:

(a) as soon as the same become available, but in any event within 120 days after the end of each of its financial years, its audited consolidated financial statements for that financial year;

(b) if requested by the Agent on behalf of a Finance Party in respect of a financial year of each Obligor, as soon as the same become available, but in any event not later than 270 days after the end of that financial year, the audited annual financial statements of that Obligor, provided it prepares audited annual financial statements; and

(c) as soon as the same become available, but in any event not later than 30 September in each financial year, its unaudited consolidated financial statements for the six Month period ending 30 June in that financial year.

21.2 **Requirements as to financial statements**

(a) Each set of financial statements delivered by the Company pursuant to Clause 21.1 (*Financial statements*) shall be certified by a director or the chief financial officer or two authorised signatories of the relevant company as fairly representing its financial condition as at the date as at which those financial statements were drawn up (unless, in the case of financial statements delivered by the Company pursuant to paragraph (b) of Clause 21.1 (*Financial statements*), expressly disclosed to the Agent in writing to the contrary).

(b) The Company shall procure that each set of financial statements delivered pursuant to paragraphs (a) and (c) of Clause 21.1 (*Financial statements*) is prepared using the Accounting Principles, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements for the Company unless, in relation to any set of financial statements, it notifies the Agent that there has been a change in the Accounting Principles, the accounting practices or reference periods and its auditors deliver to the Agent a description of any change necessary for those financial statements to reflect the Accounting Principles, accounting practices and reference periods upon which the Company's Original Financial Statements were prepared. Any reference in this Agreement to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

21.3 **Information: miscellaneous**

The Company shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

(a) all documents dispatched by the Company to its shareholders generally (or any class of them generally) or its creditors generally at the same time as they are dispatched;

(b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the Group, and which, if adversely determined, would reasonably be expected to have a Material Adverse Effect;

(c) promptly, such further information regarding the financial condition, business and operations of any member of the Group as any Finance Party (through the Agent) may reasonably request subject to any limits arising from confidentiality obligations owed by the Company or its Subsidiaries and excluding competition filings;

(d) with each set of audited consolidated financial statements of the Company, an updated list of Material Subsidiaries; and

(e) promptly and in any event within ten Business Days of any such downgrade, details of any downgrade to the Credit Rating of the Company as assessed by S&P or Moody's.

21.4 **Notification of default**

(a) Each Obligor shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).

(b) Promptly upon a reasonable request by the Agent, the Company shall supply to the Agent a certificate signed by an authorised signatory of the Company on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

21.5 **Use of websites**

(a) The Company may satisfy its obligation under this Agreement to deliver any information in relation to those Lenders (the "**Website Lenders**") who accept this method of communication by posting this information onto an electronic website designated by the Company and the Agent (the "**Designated Website**") if:

(i) the Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;

(ii) both the Company and the Agent are aware of the address of and any relevant password specifications for the Designated Website; and

(iii) the information is in a format previously agreed between the Company and the Agent.

If any Lender (a Paper Form Lender) does not agree to the delivery of information electronically then the Agent shall notify the Company accordingly and the Company shall supply the information to the Agent (in sufficient copies for each Paper Form Lender) in paper form. In any event the Company shall supply the Agent with at least one copy in paper form of any information required to be provided by it.

(b) The Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Company and the Agent.

(c) The Company shall promptly upon becoming aware of its occurrence notify the Agent if:

(i) the Designated Website cannot be accessed due to technical failure;

(ii) the password specifications for the Designated Website change;

(iii) any new information which is required to be provided under this Agreement is posted onto the Designated Website;

(iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or

(v) the Company becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

If the Company notifies the Agent under paragraph (c)(i) or (c)(v) above, all information to be provided by the Company under this Agreement after the date of that notice shall be supplied in paper form unless and until the Agent and each Website Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.

(d) Any Website Lender may request, through the Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. The Company shall comply with any such request within ten Business Days.

21.6 **"Know your customer" checks**

(a) If:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;

(ii) any change in the status of an Obligor after the date of this Agreement; or

(iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with "know your customer" or similar

identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

(b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

(c) The Company shall, by not less than ten Business Days' prior written notice to the Agent, notify the Agent (which shall promptly notify the Lenders) of its intention to request that one of its Subsidiaries becomes an Additional Obligor pursuant to Clause 25 (*Changes to the Obligors*).

(d) Following the giving of any notice pursuant to paragraph (c) above, if the accession of such Additional Obligor obliges the Agent or any Lender to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Company shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective new Lender) in order for the Agent or such Lender or any prospective new Lender to carry out and be satisfied it has complied with all necessary "**know your customer**" or other similar checks under all applicable laws and regulations pursuant to the accession of such Subsidiary to this Agreement as an Additional Obligor.

## 22. GENERAL UNDERTAKINGS

The undertakings in this Clause 22 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force. Prior to the settlement date of the Tender Offer, any undertaking to procure compliance by another member of the Group shall, in relation to Seville (to the extent it is a Subsidiary of the Company), be limited to an obligation to exercise such voting rights as an Obligor may have with a view to ensure compliance.

22.1 **Authorisations**

Each Obligor shall promptly:

(a) obtain, comply with and do all that is necessary to maintain in full force and effect; and

(b) supply certified copies to the Agent of,

any Authorisation required under any law or regulation of its jurisdiction of incorporation to:

(i) enable it to perform its obligations under the Finance Documents; and

(ii) ensure the legality, validity, enforceability or admissibility in evidence its jurisdiction of incorporation of any Finance Document.

22.2 **Compliance with laws**

Each Obligor shall comply in all respects with all laws to which it may be subject, if failure so to comply would reasonably be expected to have a Material Adverse Effect.

22.3 **Environmental compliance**

Each Obligor will (and will ensure that each of its Subsidiaries will):

(a) comply with all Environmental Laws; and

(b) obtain, maintain and ensure compliance with all requisite Environmental Permits,

in each case where failure to do so would have a Material Adverse Effect.

22.4 **Taxation**

Each Obligor will (and will ensure that each of its Subsidiaries will) pay and discharge all Taxes imposed upon it or its assets within the time period allowed (including any grace periods) if failure to pay those Taxes would reasonably be expected to have a Material Adverse Effect.

22.5 **Merger**

No Obligor shall (and the Company shall procure that no Material Subsidiary will) enter into any amalgamation, demerger, merger or corporate reconstruction other than:

(a) the Dijon Merger, the Dublin Merger or any other transaction contemplated by the Acquisition Documents;

(b) any amalgamation, demerger, merger or corporate reconstruction involving any Obligor or Material Subsidiary (other than the Company) and any other member of the Group (other than where it involves a Guarantor and a member of the Anheuser-Busch Group and that Guarantor would not be the surviving entity); or

(c) any other amalgamation, demerger, merger or corporate reconstruction involving any Obligor or Material Subsidiary (other than the Company) so long as the relevant Obligor or Material Subsidiary is the surviving entity,

**provided that** in the case of paragraphs (b) and (c) above, (i) such amalgamation, demerger, merger or corporate reconstruction shall not affect the validity, legality or enforceability of the Finance Documents and (ii) the Obligors and, if relevant, any other company involved in such amalgamation, demerger, merger or corporate reconstruction shall execute such documents as may be necessary in order to preserve and protect the validity, legality or enforceability of the Finance Documents (and, for the avoidance of doubt, any contribution in kind transaction or similar transaction pursuant to which the Company, any other Obligor or any Material Subsidiary would acquire assets or shares in exchange for new shares to be issued by the Company or the Obligor or any Material Subsidiary respectively is not to be considered as an amalgamation, demerger, merger or corporate reconstruction for the purpose of this Clause 22.5 unless the issue of shares by the Obligor or any Material Subsidiary would result in it becoming a Subsidiary of an Excluded Subsidiary).

22.6 **Change of business**

The Company shall procure that neither Company nor the Group taken as a whole carries on any business which results in any material change to the nature of the core business of the Group from the Core Business.

22.7 **Acquisitions**

No Obligor shall (and the Company shall ensure that no other member of the Group will):

(a) acquire a company or any shares or securities or a business or undertaking (or, in each case, any interest in any of them); or

(b) incorporate a company,

which in either case, results in the Credit Rating of the Company being downgraded during the relevant Credit Rating Period applicable to such acquisition or incorporation to a rating of BB+ or lower by S&P or Ba1 or lower by Moody's.

22.8 **Pari passu ranking**

Each Obligor shall ensure that at all times any unsecured and unsubordinated claims of a Finance Party against it under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except those creditors whose claims are mandatorily preferred by law applying to companies generally.

22.9 **Negative pledge**

(a) No Obligor shall (and the Company shall ensure that no other member of the Group will) create or permit to subsist any Security over any of its assets.

(b) No Obligor shall (and the Company shall ensure that no other member of the Group will):

(i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group;

(ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;

(iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

(iv) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

(c) Paragraphs (a) and (b) above do not apply to Permitted Security.

(d) Notwithstanding paragraph (c) above, no Obligor shall (and the Company shall ensure that no other member of the Group will) at any time create or permit to subsist any Security over or undertake any of the actions set out in paragraph (b) above in respect of any of the shares in Barcelona owned by a member of the Group.

22.10 **[****]**

22.11 **Arm's length basis**

No Obligor shall (and the Company shall ensure no member of the Group (other than Barcelona until such time as Barcelona becomes a wholly-owned Subsidiary of the Company) will) enter into:

(a) any transaction with any Affiliate which is not a member of the Group; or

(b) any written contract with any other person which is not a member of the Group,

except, in each case, on arm's length terms.

22.12 **Loans or credit to Excluded Subsidiaries**

(a) Except as permitted under paragraph (b) below, no Obligor shall (and the Company shall ensure that no member of the Group (other than any Excluded

Subsidiary) will) be a creditor in respect of any Financial Indebtedness owing by, or give any guarantee or financial accommodation to, or for the benefit of, an Excluded Subsidiary (including without limitation in respect of any Financial Indebtedness of an Excluded Subsidiary).

(b) Paragraph (a) above does not apply to Permitted Excluded Subsidiary Credit Support.

22.13 **Subsidiary Financial Indebtedness**

Each Obligor shall procure that Subsidiary Financial Indebtedness, when aggregated with (i) the aggregate amount secured by the Security referred to in paragraph (p) of the definition of Permitted Security (other than such Security securing Subsidiary Financial Indebtedness) and (ii) Financial Indebtedness of all Excluded Subsidiaries owed to or guaranteed by other members of the Group which are not Excluded Subsidiaries, shall at no time exceed [****] (or its equivalent in any other currency).

22.14 **Insurance**

(a) Each Obligor shall (and the Company shall ensure that each member of the Group will) maintain insurances on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

(b) All insurances must be with reputable independent insurance companies or underwriters.

22.15 **Intellectual Property**

Each Obligor shall (and the Company shall procure that each member of the Group will):

(a) preserve and maintain the subsistence and validity of the Intellectual Property necessary for the business of the relevant member of the Group;

(b) use reasonable endeavours to prevent any infringement in any material respect of the Intellectual Property;

(c) make registrations and pay all registration fees and taxes necessary to maintain the Intellectual Property in full force and effect and record its interest in that Intellectual Property;

(d) not use or permit the Intellectual Property to be used in a way or take any step or omit to take any step in respect of that Intellectual Property which may materially and adversely affect the existence or value of the Intellectual Property or imperil the right of any member of the Group to use such property; and

(e) not discontinue the use of the Intellectual Property,

where failure to do so, in the case of paragraphs (a), (b) and (c) above, or, in the case of paragraphs (d) and (e) above, such use, permission to use, omission or discontinuation, would reasonably be expected to have a Material Adverse Effect.

22.16 **Credit Rating**

(a) Subject to paragraph (b) below, the Company will ensure that it maintains a Credit Rating with S&P and Moody's.

(b) If S&P or Moody's ceases to carry on business as a rating agency or to supply a Credit Rating with respect to the Company, within 30 days after the date on which that event occurs, the Company shall appoint any other rating agency of international standing which is prepared to issue a Credit Rating with respect to the Company and which is acceptable to the Majority Lenders (acting reasonably) to issue a Credit Rating with respect to the Company. If any other rating agency is appointed under this paragraph (c), the Parties agree to amend this Agreement to make appropriate amendments to the definition of "**Margin**".

22.17 **Shareholders Approval – the Company**

(a) The Company shall use its reasonable efforts to procure that a Shareholders' Approval is obtained and provide to the Agent a copy of the relevant resolutions of the shareholders of the Company together with evidence that an extract of the resolutions has been filed with the clerk of the relevant commercial court in accordance with article 556 of the Belgian Companies Act no later than 7 May 2013.

(b) If the Company is unable to complete the actions set out in paragraph (a) above on or before 7 May 2013, the Company shall promptly organise an extraordinary meeting of the shareholders of the Company with a view to obtaining a Shareholders' Approval and, in any event, procure that a Shareholders' Approval is obtained and provide to the Agent no later than 1 September 2013 a copy of the relevant resolutions of the shareholders of the Company together with evidence that an extract of the resolutions has been filed with the clerk of the relevant commercial court in accordance with article 556 of the Belgian Companies Act.

22.18 **Guarantors**

If any of Anheuser-Busch, ABIWW, Cobrew and/or Brandbrew is not a Guarantor at the date of this Agreement, the Company shall cause such person to become a Guarantor prior to the Utilisation Date.

22.19 **The Acquisition**

(a) The Company shall

(i) procure that no member of the Group will waive any condition in any Acquisition Document in a manner that it determines (acting reasonably) would reasonably be expected to have a Material Adverse Effect;

(ii) deliver to the Agent:

(A) a copy of each Acquisition Document or any variation, supplement or amendment thereto promptly after its release in final form;

(B) such information regarding the Acquisition, its conduct or status as any Finance Party may reasonably request, subject to any limitations arising from confidentiality obligations owed by the Company and its Subsidiaries and excluding competition filings; and

(C) details of any waiver of any of the material terms of the Acquisition Documents.

(b) Other than any text substantially in the form previously agreed between the Company and the Agent as being in agreed form for public announcements in relation to the Facilities, the Company must not (and shall ensure no member of the Group will) issue any Tender Offer Document, press release or similar announcement which makes reference to the Facilities or to some or all of the Finance Parties or to the Finance Documents, unless required by applicable law or regulation or any court or regulatory body (in which case the Company must notify the Agent as soon as practicable upon becoming aware of the requirement) without the written approval of the Agent (not to be unreasonably withheld or delayed).

(c) The Company must notify the Agent within five Business Days if an Acquisition Document is terminated in accordance with its terms (including, without limitation, as a result of the expiry of a long stop date to which such document is subject).

(d) The Company must notify the Agent in writing within five Business Days of the board of directors of the Company (or a duly appointed committee or delegate thereof) resolving no longer to pursue the Acquisition.

22.20 **Seville Guarantee**

If Seville guarantees any substantial part of the Financial Indebtedness of other members of the Group which is guaranteed by any of the Guarantors, then it will promptly accede to this Agreement as a Guarantor.

## 23. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 23 is an Event of Default (save for Clause 23.14 (*Acceleration*) and Clause 23.15 (*Clean Up Period*)).

23.1 **Non-payment**

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

(a) its failure to pay is caused by:

(i) administrative or technical error; or

(ii) a Disruption Event; and

(b) payment is made within five Business Days of its due date.

23.2 **Other obligations**

(a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 23.1 (*Non-payment*) or paragraph (c) below).

(b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within:

(i) (in relation to Clause 21 (*Information undertakings*) and Clause 22 (*General Undertakings*)) 15 Business Days; or

(ii) (in relation to any of the other obligations expressed to be assumed by it in any of the Finance Documents (other than referred to in Clauses 23.1 (*Non-payment*)) 30 Business Days,

of the Agent giving notice to the Company or relevant Obligor or the Company or an Obligor becoming (or should have become when exercising normal diligence) aware of the failure to comply.

(c) The Company does not comply with any provision of Clause 22.17 (*Shareholders' Approval – the Company*).

23.3 **Misrepresentation**

(a) Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

(b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 15 Business Days of the Agent giving notice to the Company or relevant Obligor or the Company or an Obligor becoming (or should have become when exercising normal diligence) aware of the failure to comply.

23.4 **Cross default**

(a) Any Financial Indebtedness or any indebtedness under a Derivative Contract of any member of the Group is not paid when due or within any originally applicable grace period.

(b) Any Financial Indebtedness or any indebtedness under a Derivative Contract of any member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (howsoever described).

(c) No Event of Default will occur under this Clause 23.4 (*Cross default*) if:

(i) the aggregate amount of Financial Indebtedness, of any indebtedness (marked to market) under a Derivative Contract and of any commitment for Financial Indebtedness falling within paragraphs (a) and (b) above is less than €100,000,000 (or its equivalent in any other currency or currencies); or

(ii) in the case of paragraph (a) above, the question as to whether the relevant amount is due is being contested in good faith by the relevant member of the Group.

(d) In respect of any member of the Group acquired by the Company after the date of this Agreement, no Event of Default will occur under this Clause 23.4 in relation to that member of the Group for a period of 45 days after the date of that acquisition.

23.5 **Insolvency**

Any Obligor or any other Material Subsidiary is unable to pay its debts as they fall due, suspends making payments on all or substantially all of its debts by reason of actual or anticipated financial difficulties or commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of all or a material part of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors.

23.6 **Insolvency proceedings**

Any Obligor or any other Material Subsidiary takes any corporate action or other steps are taken or legal proceedings are started for its winding–up, dissolution, administration, bankruptcy, moratorium or re–organisation (whether by way of voluntary arrangement, scheme of arrangement or otherwise) (other than a solvent liquidation of any dormant company or a solvent liquidation of any other Material Subsidiary which is not an Obligor) or for the appointment of a liquidator, curator, receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of it or of any or all of its revenues and assets unless any such action, proceeding, procedure or step brought by a third party is stayed or discharged within 20 Business Days.

23.7 **Creditors' process**

Any execution or distress is levied against, or an encumbrancer takes possession of, the whole or any part of, the property, undertaking or assets (other than a Judicial Deposit) of any Obligor or any other Material Subsidiary or any event occurs which under the laws of any jurisdiction has a similar or analogous effect **provided that** where such execution, distress or taking of possession relates to any property, undertaking or assets, it shall not be an Event of Default under this Clause 23.7 if the relevant execution, distress or taking of possession (other than a Dutch or Belgian executory attachment (*uitvoerend beslag*)) is released or discharged within ten Business Days or the value of such property, undertaking or assets (when aggregated with the value of any other such property, undertaking or assets of the Group which are then subject to any such execution, distress or taking of possession) does not exceed €100,000,000 or the equivalent thereof in other currencies.

23.8 **Analogous Event**

Any event occurs which under the laws of any jurisdiction has a similar or analogous effect to any of those events mentioned in Clause 23.5 (*Insolvency*), Clause 23.6 (*Insolvency proceedings*) or Clause 23.7 (*Creditors' process*).

23.9 **Unlawfulness and invalidity**

It is or becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents.

23.10 **Ownership of the Obligors**

Any Obligor (other than the Company) ceases to be a Subsidiary of the Company other than pursuant to a resignation of a Guarantor in accordance with Clause 25.6 (*Resignation of a Guarantor*).

23.11 **Repudiation and rescission of agreements**

An Obligor (or any other relevant party) rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or evidences an intention to rescind or repudiate a Finance Document.

23.12 **Litigation**

Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened in relation to the Finance Documents or the transactions contemplated in the Finance Documents or against any member of the Group or its assets which would reasonably be expected to have a Material Adverse Effect.

23.13 **ERISA**

(a) Any ERISA Event shall have occurred with respect to a Plan and the sum (determined as of the date of occurrence of such ERISA Event) of the Insufficiency of such Plan and the Insufficiency of any and all other Plans with respect to which an ERISA Event shall have occurred and then exist (or

the liability of the Obligors and the ERISA Affiliates related to such ERISA Event) is an amount that has or would reasonably be expected to have a Material Adverse Effect.

(b) Any Obligor or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that it has incurred Withdrawal Liability to such Multiemployer Plan in an amount that, when aggregated with all other amounts required to be paid to Multiemployer Plans by the Obligors and the ERISA Affiliates as Withdrawal Liability (determined as of the date of such notification), has or would reasonably be expected to have a Material Adverse Effect or requires payments in an amount that has or would reasonably be expected to have a Material Adverse Effect.

(c) Any Obligor or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganisation or is being terminated, within the meaning of Title IV of ERISA, and as a result of such reorganisation or termination the aggregate annual contributions of the Obligors and the ERISA Affiliates to all Multiemployer Plans that are then in reorganisation or being terminated have been or will be increased over the amounts contributed to such Multiemployer Plans for the plan years of such Multiemployer Plans immediately preceding the plan year in which such reorganisation or termination occurs by an amount that has or would reasonably be expected to have a Material Adverse Effect.

23.14 **Acceleration**

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Company:

(a) cancel the Total Commitments whereupon they shall immediately be cancelled;

(b) declare that all or part of the Utilisations, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable;

(c) declare that all or part of the Utilisations be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders; and/or

(d) following the taking of any action referred to in paragraphs (a) or (b) above, by notice to any Dutch Obligor, require that Dutch Obligor to give a guarantee or Security in favour of the Finance Parties and/or the Agent and that Dutch Obligor must comply with that request.

If an Event of Default under Clause 23.5 (*Insolvency*) or Clause 23.6 (*Insolvency proceedings*) shall occur in respect of any Obligor incorporated in the United States, then without notice to such Obligor or any other act by the Agent or any other person, the Loans to such Obligor, interest thereon and all other amounts owed by such Obligor under the Finance Documents shall become immediately due and payable without presentment, demand, protest or notice of any kind, all of which are expressly waived.

23.15 **Clean Up Period**

Notwithstanding any other provision of any Finance Document, prior to the Clean-up Date:

(a) any breach of a representation or an undertaking in any Finance Document; or

(b) any Event of Default,

will be deemed not to be a breach of representation or warranty, a breach of undertaking or an Event of Default (as the case may be) if:

(i) it would have been (if it were not for this provision) a breach of representation or warranty, a breach of undertaking or an Event of Default only by reason of circumstances relating exclusively to any member of the Target Group (or any obligation to procure or ensure in relation to a member of the Target Group);

(ii) it is capable of remedy and reasonable steps are being taken to remedy it;

(iii) the circumstances giving rise to it have not been procured by or approved by any member of the Group (other than a member of the Target Group before it became a Subsidiary of the Company), and such circumstances were in existence on the Utilisation Date; and

(iv) it does not have, and would not reasonably be expected to have, a Material Adverse Effect.

If the relevant circumstances are continuing on or after the Clean Up Date, there shall be a breach of representation or warranty, breach of covenant or Event of Default, as the case may be, notwithstanding the above (and without prejudice to the rights and remedies of the Finance Parties).

23.16 **Non-Material Obligors**

Notwithstanding anything to the contrary in any of the Finance Documents, if any event or circumstance occurs in relation to any Non-Material Obligor or any Finance Documents executed by a Non-Material Obligor which would in respect of any provision which by its terms refers to an Obligor (in its capacity as Obligor) (a) be a breach of contract or misrepresentation, (b) be a Default or (c) entitle the Lenders to terminate or reduce the Commitments or require prepayment of all or part of the Loans (each a "**Relevant Event**"), no Relevant Event shall be deemed to have occurred or be continuing as a result of the occurrence of such event or circumstance solely in relation to a Non Material Obligor unless:

(a) one or more such events or circumstances has occurred and is continuing which affects one or more Non-Material Obligors which, if they were a single entity on the last day of the most recent period in respect of which financial statements are available, would have constituted a Material Subsidiary; or

(b) such event or circumstance would reasonably be expected to have a Material Adverse Effect.

## 24. CHANGES TO THE LENDERS

### 24.1 Assignments and transfers by the Lenders

Subject to this Clause 24, a Lender (the "**Existing Lender**") may:

(a) assign any of its rights; or

(b) transfer by novation any of its rights and obligations,

under any Finance Document to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the "**New Lender**").

### 24.2 Conditions of assignment or transfer

(a) Subject to paragraph (b) below, an Existing Lender must give the Company notice of any assignment or transfer in accordance with Clause 24.1 (*Assignments and transfers by the Lenders*) on or prior to the making of such assignment or transfer.

(b) Notwithstanding any other term of this Agreement, the consent of the Company is required for any assignment or transfer by an Existing Lender of its rights and/or obligations at any time whilst any part of that Lender's Commitment under either Facility remains undrawn.

(c) Any partial assignment or transfer must be in an amount of at least US$10,000,000 or, if less, the whole of the Existing Lender's participation or Commitment.

(d) An assignment will only be effective on:

(i) receipt by the Agent of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties as it would have been under if it was an Original Lender; and

(ii) the performance by the Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.

(e) A transfer will only be effective if the procedure set out in Clause 24.5 (*Procedure for transfer*) is complied with.

(f) If:

(i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and

(ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 14 (*Tax Gross Up and Indemnities*) or Clause 15 (*Increased Costs*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

24.3 **Assignment or transfer fee**

Unless the Agent otherwise agrees and excluding an assignment or transfer (a) to an Affiliate of a Lender, (b) to a Related Fund or (c) made in connection with primary syndication of the Facilities, the New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of US$2,500.

24.4 **Limitation of responsibility of Existing Lenders**

(a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;

(ii) the financial condition of any Obligor;

(iii) the performance and observance by any Obligor or any other member of the Group of its obligations under the Finance Documents or any other documents; or

(iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law are excluded.

(b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:

(i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and

(ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

(c) Nothing in any Finance Document obliges an Existing Lender to:

(i) accept a re-transfer from a New Lender of any of the rights and obligations assigned or transferred under this Clause 24; or

(ii) support any losses directly or indirectly incurred by the New Lender by reason of the non performance by any Obligor of its obligations under the Finance Documents or otherwise.

24.5 **Procedure for transfer**

(a) Subject to the conditions set out in Clause 24.2 (*Conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.

(b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender upon its completion of all "know your customer" or other checks relating to any person that it is required to carry out in relation to the transfer to such New Lender.

(c) On the Transfer Date:

(i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents, each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the "**Discharged Rights and Obligations**");

(ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor or other member of the Group and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;

(iii) the Agent, the Bookrunners, the New Lender, the other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights, and/or obligations

acquired or assumed by it as a result of the transfer and to that extent the Agent, the Bookrunners and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and

(iv) the New Lender shall become a Party as a "Lender".

24.6 **Copy of Transfer Certificate or Increase Confirmation to Company**

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate or an Increased Confirmation, send to the Company a copy of that Transfer Certificate or Increase Confirmation for, but not limited thereto, the purpose of notifying the transfer to the Company.

24.7 **Disclosure of information**

(a) Any Lender may disclose any information about any Obligor, the Group or the Finance Documents as that Lender shall consider appropriate to:

(i) any of its Affiliates and any other person:

(A) to (or through) whom that Lender assigns or transfers (or may potentially assign or transfer) all or any of its rights and obligations under the Finance Documents;

(B) with (or through) whom that Lender enters into (or may potentially enter into) any sub participation in relation to, or any other transaction under which payments are to be made by reference to the Finance Documents or any Obligor; or

(C) to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation;

(ii) a rating agency or its professional advisers, or (with the consent of the Company) any other person; or

(iii) any person for the purpose of obtaining credit risk insurance with respect to any Obligor, the Group or the Finance Documents,

**provided that**, in relation to any disclosure under paragraphs (i)(A) and (B) above, the person to whom the information is to be given enters into a Confidentiality Undertaking.

(b) Any Confidentiality Undertaking signed by a Lender pursuant to this Clause 24.7 shall supersede any prior confidentiality undertaking signed by such Lender for the benefit of any member of the Group.

24.8 **Security over Lenders' rights**

In addition to the other rights provided to Lenders under this Clause 24, each Lender may without consulting with or obtaining consent from any other Party, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or

otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender to a federal reserve, central or supranational bank, except that no such charge, assignment or other Security shall:

(a) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or

(b) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents,

and **provided further that** under no circumstance shall such central or supranational bank be considered a Lender hereunder or be entitled to require the assigning or pledging Lender to take, or refrain from, action hereunder.

24.9 **Lender Affiliates**

A Lender may by notice to the Agent nominate an Affiliate of that Lender (a "**Lender Affiliate**") as being the entity through which that Lender will perform all or part of its obligations under this Agreement. If the Agent receives any such notice, the Agent shall treat the Lender Affiliate as being responsible for the funding obligations (or the relevant part thereof) of the relevant Lender under this Agreement, but a breach by the Lender Affiliate of any such obligation shall not relieve the affiliated Lender of that Lender Affiliate of such obligation, in respect of which it shall remain liable.

## 25. CHANGES TO THE OBLIGORS

25.1 **Assignment and transfers by Obligors**

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

25.2 **Initial Borrowers**

(a) If ABIWW and/or Cobrew is not a Borrower at the date of this Agreement, the Company may notify the Agent that such person shall become a Borrower at any time on or prior to the Utilisation Date.

(b) Such person shall become a Borrower if:

(i) the Company and such person deliver to the Agent a duly completed and executed Accession Letter;

(ii) the Company confirms that no Major Default is continuing or would occur as a result of such person becoming a Borrower; and

(iii) the Agent has received all of the documents and other evidence listed in Part 2 of Schedule 2 (*Conditions Precedent*) in relation to such person, each in form and substance satisfactory to the Agent.

(c) The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part 2 of Schedule 2 (*Conditions Precedent*).

25.3 **Additional Borrowers**

(a) Subject to compliance with the provisions of paragraphs (c) and (d) of Clause 21.6 (*"Know your customer" checks*), the Company may request that any of its wholly-owned Subsidiaries becomes a Borrower. That Subsidiary shall become a Borrower if:

(i) if all the Lenders under the relevant Facility under which that Subsidiary will become a Borrower approve the addition of that Subsidiary;

(ii) subject to the Guarantee Principles, that Subsidiary also becomes a Guarantor;

(iii) the Company and that Subsidiary deliver to the Agent a duly completed and executed Accession Letter;

(iv) the Company confirms that no Default is continuing or would occur as a result of that Subsidiary becoming an Additional Borrower; and

(v) the Agent has received all of the documents and other evidence listed in Part 2 of Schedule 2 (*Conditions Precedent*) in relation to that Additional Borrower, each in form and substance satisfactory to the Agent.

(b) The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part 2 of Schedule 2 (*Conditions Precedent*).

25.4 **Resignation of a Borrower**

(a) The Company may request that a Borrower ceases to be a Borrower by delivering to the Agent a Resignation Letter.

(b) The Agent shall accept a Resignation Letter and notify the Company and the Lenders of its acceptance if:

(i) no Default is continuing or would result from the acceptance of the Resignation Letter; and

(ii) the Borrower is under no actual or contingent obligations as a Borrower under any Finance Documents.

(c) Upon notification by the Agent to the Company of its acceptance of the resignation of a Borrower, that company shall cease to be a Borrower and shall have no further rights or obligations under the Finance Documents as a Borrower.

25.5 **Additional Guarantors**

(a) Subject to compliance with the provisions of paragraphs (b) and (c) of Clause 21.6 (*"Know your customer" checks*), the Company may request that any of its Subsidiaries become a Guarantor.

(b) A member of the Group shall become an Additional Guarantor if:

(i) the Company and the proposed Additional Guarantor deliver to the Agent a duly completed and executed Accession Letter; and

(ii) the Agent has received all of the documents and other evidence listed in Part 2 of Schedule 2 (*Conditions Precedent*) in relation to that Additional Guarantor, each in form and substance satisfactory to the Agent.

(c) The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part 2 of Schedule 2 (*Conditions Precedent*).

(d) Any limitations on the scope of the Additional Guarantor's obligations agreed with the Agent and set out in an Accession Letter shall take effect in accordance with these terms.

25.6 **Resignation of a Guarantor**

(a) In this Clause 25.6 (*Resignation of a Guarantor*), "**Third Party Disposal**" means the disposal of an Obligor to a person which is not a member of the Group.

(b) The Company may request that a Guarantor (other than the Company or Anheuser-Busch) ceases to be a Guarantor by delivering to the Agent a Resignation Letter.

(c) The Agent shall accept a Resignation Letter and notify the Company and the Lenders of its acceptance if:

(i) the Guarantor is a company listed in Part 1 of Schedule 1 (*The Pre-Utilisation Date Parties*) and the Super Majority Lenders have consented to the resignation of that Guarantor; or

(ii) that Guarantor is not a company listed in Part 1 of Schedule 1 (*The Pre-Utilisation Date Parties*) and the Majority Lenders have consented to the resignation of that Guarantor; or

(iii) that Guarantor is being disposed of by way of a Third Party Disposal; and

(A) no Default is continuing or would result from the acceptance of the Resignation Letter or, in the case of a disposal of a Guarantor, no Default exists on the date on which the obligation to dispose of such Guarantor is entered into; and

(B) no payment is due from the Guarantor under Clause 19.1 (*Guarantee and indemnity*).

(d) The Guarantor shall cease to be a Guarantor upon notification by the Agent to the Company of its acceptance of the resignation of a Guarantor or, where such resignation is made in connection with a Third Party Disposal and **provided that** the conditions in (A) to (B) above are satisfied, on the date on which the relevant Third Party Disposal is consummated.

25.7 **Repetition of Representations**

Delivery of an Accession Letter constitutes confirmation by the relevant Subsidiary that the Repeating Representations are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

25.8 **Change of Borrower**

Any Loan voluntarily prepaid by a Borrower (the "**Existing Borrower**") may be redrawn by another Borrower (the "**New Borrower**") on the date for prepayment selected by the Existing Borrower **provided that**:

(a) the redrawing occurs on a date falling no later than 18 months after the Utilisation Date;

(b) the Agent is notified not less than five Business Days prior to the change of such Borrower;

(c) the Loan redrawn is under the same Facility in the same amount and currency as the Loan prepaid;

(d) no Event of Default is continuing; and

(e) the prepayment and redrawing of such Loan takes place on the same day.

## 26. ROLE OF THE AGENT, THE BOOKRUNNERS AND OTHERS

26.1 **Appointment of the Agent**

(a) Each of the Bookrunners and the Lenders appoints the Agent to act as its agent under and in connection with the Finance Documents.

(b) Each of the Bookrunners and the Lenders authorises the Agent to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

26.2 **Duties of the Agent**

(a) The Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.

(b) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(c) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.

(d) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent or the Bookrunners) under this Agreement it shall promptly notify the other Finance Parties.

(e) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

(f) The Agent shall, if so requested by the Company from time to time, provide to the Company a list (which may be in electronic form) setting out the names of the Lenders, their respective Commitments, the address and fax number (and the department or officer, if any, for whose attention any communication is to be made) of each Lender for any communication to be made or document to be delivered under or in connection with the Finance Documents, the electronic mail address and/or any other information required to enable the sending and receipt of information by electronic mail or other electronic means to and by each Lender to whom any communication under or in connection with the Finance Documents may be made by that means and the account details of each Lender for any payment to be distributed by the Agent to that Lender under the Finance Documents.

26.3 **Role of the Bookrunners**

Except as specifically provided in the Finance Documents, the Bookrunners have no obligations of any kind to any other Party under or in connection with any Finance Document.

26.4 **No fiduciary duties**

(a) Nothing in this Agreement constitutes the Agent or the Bookrunners as a trustee or fiduciary of any other person.

(b) None of the Agent or the Bookrunners shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

26.5 **Business with the Group**

The Agent and the Bookrunners may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

26.6 **Rights and discretions**

(a) The Agent may rely on:

(i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and

(ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

(b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:

(i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 23.1 (*Non-payment*));

(ii) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised; and

(iii) any notice or request made by the Company (other than a Utilisation Request or Selection Notice) is made on behalf of and with the consent and knowledge of all the Obligors.

(c) The Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.

(d) The Agent may act in relation to the Finance Documents through its personnel and agents.

(e) The Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.

(f) Without prejudice to the generality of paragraph (e) above, the Agent may disclose the identity of a Defaulting Lender to the other Lenders and the Company and shall disclose the same upon the written request of the Company or the Majority Lenders.

(g) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent or the Bookrunners is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

26.7 **Majority Lenders' instructions**

(a) Unless a contrary indication appears in a Finance Document, the Agent shall (i) exercise any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.

(b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders will be binding on all the Finance Parties.

(c) The Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.

(d) In the absence of instructions from the Majority Lenders, (or, if appropriate, the Lenders) the Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.

(e) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

26.8 **Responsibility for documentation**

None of the Agent or the Bookrunners:

(a) is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Agent, the Bookrunners, an Obligor or any other person given in or in connection with any Finance Document; or

(b) is responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document.

26.9 **Exclusion of liability**

(a) Without limiting paragraph (b) below (and without prejudice to the provisions of paragraph (e) of Clause 29.11 (*Disruption to Payment Systems etc.*)), the Agent will not be liable (including, without limitation, for negligence or any other category of liability whatsoever) for any action taken by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.

(b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent, in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer,

employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this Clause subject to Clause 1.6 (*Third party rights*) and the provisions of the Third Parties Act.

(c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

(d) Nothing in this Agreement shall oblige the Agent or the Bookrunners to carry out any "**know your customer**" or other checks in relation to any person on behalf of any Lender and each Lender confirms to the Agent and the Bookrunners that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or the Bookrunners.

26.10 **Lenders' indemnity to the Agent**

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 29.11 (*Disruption to Payment Systems etc.*) notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).

26.11 **Resignation of the Agent**

(a) The Agent may resign and appoint one of its Affiliates acting through an office in the United Kingdom as successor by giving notice to the other Finance Parties and the Company.

(b) Alternatively the Agent may resign by giving notice to the other Finance Parties and the Company, in which case the Majority Lenders (after consultation with the Company) may appoint a successor Agent.

(c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within thirty days after notice of resignation was given, the Agent (after consultation with the Company) may appoint a successor Agent (acting through an office in the United Kingdom, Luxembourg or Belgium).

(d) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

(e) The Agent's resignation notice shall only take effect upon the appointment of a successor.

(f) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 26. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

(g) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three months before the FATCA Application Date relating to any payment to the Agent:

(i) the Agent fails to respond to a request under paragraph (i) below and the Company or a Lender reasonably believes that the Agent will not be a FATCA Compliant Party on or at any time at which any amount is or may be outstanding under the Finance Documents after that FATCA Application Date;

(ii) the information supplied by the Agent pursuant to under paragraph (i) below indicates that the Agent will not be a FATCA Compliant Party on or at any time at which any amount is or may be outstanding under the Finance Documents after that FATCA Application Date; or

(iii) the Agent notifies the Company or a Lender that the Agent will not be a FATCA Compliant Party on or at any time at which any amount is or may be outstanding under the Finance Documents after that FATCA Application Date; and

(iv) the Company or that Lender by notice to the Agent, requires it to resign.

(h) For the purposes of paragraph (g) above:

"**FATCA Application Date**" means:

(i) in relation to a payment which has a US source for US tax purposes, 1 January 2014;

(ii) except as provided in (a) of this definition, in relation to a payment in respect of an obligation pursuant to which some or all of the payments under the Finance Documents are or would be US source interest or dividends for US tax purposes, 1 January 2015; or

(iii) in relation to a payment made by a FATCA FFI, 1 January 2017,

or, in each case, such other date from which such payment becomes subject to FATCA as a result of any change in FATCA.

"**FATCA Compliant Party**" means a Party payments to whom do not require a FATCA Deduction.

"**FATCA FFI**" means any foreign financial institution as defined in section 1471(d)(4) of the US Internal Revenue Code of 1986 which, if any Finance Party is not a FATCA Compliant Party, could be required to make a FATCA Deduction.

(i) Subject to paragraph (j) below, the Agent shall, within 10 Business Days of a reasonable request by another Party:

(i) confirm to that other Party whether it is:

(A) a FATCA Compliant Party; or

(B) not a FATCA Compliant Party; and

(ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA or its applicable passthru payment percentage as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA.

(j) Paragraph (i) above shall not oblige the Agent to do anything which would or might in its reasonable opinion constitute a breach of:

(i) any law or regulation;

(ii) any policy of the Agent;

(iii) any fiduciary duty; or

(iv) any duty of confidentiality.

(k) If the Agent fails to confirm its status or to supply forms, documentation or other information requested in accordance with paragraph (i) above, then it shall be treated for the purposes of this Agreement as if it is not a FATCA Compliant Party until such time as it provides confirmation of its status and any forms, documentation or other information required in order to verify its status for the purposes of FATCA.

26.12 **Replacement of the Agent**

(a) After consultation with the Company, the Majority Lenders may, by giving 30 days' written notice to the Agent (or, at any time the Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Agent by appointing a successor Agent (acting through an office in the United Kingdom, Luxembourg or Belgium).

(b) The retiring Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders), make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

(c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 26 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).

(d) Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

26.13 **Confidentiality**

(a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

(c) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent or the Bookrunners are obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty.

26.14 **Relationship with the Lenders**

(a) The Agent may treat each Lender as a Lender, entitled to payments under this Agreement and acting through its Facility Office unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

(b) Each Lender shall supply the Agent with any information required by the Agent in order to calculate the Mandatory Cost in accordance with Schedule 4 (*Mandatory Cost Formula*).

26.15 **Credit appraisal by the Lenders**

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent and the Bookrunners that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

(a) the financial condition, status and nature of each member of the Group;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;

(c) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and

(d) the adequacy, accuracy and/or completeness of any information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

26.16 **Reference Banks**

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Agent shall (in consultation with the Company) appoint another Lender or an Affiliate of a Lender to replace that Reference Bank.

26.17 **Deduction from amounts payable by the Agent**

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

## 27. CONDUCT OF BUSINESS BY THE FINANCE PARTIES

No provision of this Agreement will:

(a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

(c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

## 28. SHARING AMONG THE FINANCE PARTIES

### 28.1 Payments to Finance Parties

If a Finance Party (a "**Recovering Finance Party**") receives or recovers any amount from an Obligor other than in accordance with Clause 29 (*Payment Mechanics*) and applies that amount to a payment due under the Finance Documents then:

(a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Agent;

(b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 29 (*Payment Mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and

(c) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 29.6 (*Partial payments*).

### 28.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) in accordance with Clause 29.6 (*Partial payments*).

### 28.3 Recovering Finance Party's rights

(a) On a distribution by the Agent under Clause 28.2 (*Redistribution of payments*), the Recovering Finance Party will be subrogated to the rights of the Finance Parties which have shared in the redistribution.

(b) If and to the extent that the Recovering Finance Party is not able to rely on its rights under paragraph (a) above, the relevant Obligor shall be liable to the Recovering Finance Party for a debt equal to the Sharing Payment which is immediately due and payable.

### 28.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

(a) each Finance Party which has received a share of the relevant Sharing Payment pursuant to Clause 28.2 (*Redistribution of payments*) shall, upon request of the Agent, pay to the Agent for account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay); and

(b) that Recovering Finance Party's rights of subrogation in respect of any reimbursement shall be cancelled and the relevant Obligor will be liable to the reimbursing Finance Party for the amount so reimbursed.

28.5 **Exceptions**

(a) This Clause 28 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.

(b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:

(i) it notified the other Finance Party of the legal or arbitration proceedings; and

(ii) the other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

## 29. PAYMENT MECHANICS

### 29.1 Payments to the Agent

(a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

(b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in a Participating Member State or London) with such bank as the Agent specifies.

### 29.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 29.3 (*Distributions to an Obligor*) and Clause 29.4 (*Clawback*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or London).

29.3 **Distributions to an Obligor**

The Agent may (with the consent of the Obligor or in accordance with [****] apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

29.4 **Clawback**

(a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

(b) If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

29.5 **Impaired Agent**

(a) If, at any time, the Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Agent in accordance with Clause 29.1 (*Payments to the Agent*) may instead either pay that amount direct to the required participant or pay that amount to an interest-bearing account held with an Acceptable Bank within the meaning of paragraph (a) of the definition of "Acceptable Bank" and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents. In each case such payments must be made on the due date for payment under the Finance Documents.

(b) If, at any time, the Agent becomes an Impaired Agent, the Company will following a request by any Lender provide to such Lender as soon as reasonably practicable the then most recent list of Lenders received from the Agent pursuant to paragraph (f) of Clause 26.2 (*Duties of the Agent*).

(c) All interest accrued on the amount standing to the credit of the account shall be for the benefit of the beneficiaries of the trust account pro rata to their respective entitlements.

(d) A Party which has made a payment in accordance with this Clause 29.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.

(e) Promptly upon the appointment of a successor Agent in accordance with Clause 26.12 (*Replacement of the Agent*), each Party which has made a payment in accordance with this Clause 29.5 shall give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution in accordance with Clause 29.2 (*Distributions by the Agent*).

29.6 **Partial payments**

(a) If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under those Finance Documents in the following order:

(i) **first**, in or towards payment *pro rata* of any unpaid fees, costs and expenses of the Agent under the Finance Documents;

(ii) **secondly**, in or towards payment *pro rata* of any accrued interest, fee or commission due but unpaid under this Agreement;

(iii) **thirdly**, in or towards payment *pro rata* of any principal due but unpaid under this Agreement; and

(iv) **fourthly**, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.

(b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (iv) above.

(c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

29.7 **Set-off by Obligors**

(a) All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off (including, for purposes of Luxembourg law, legal set-off) or counterclaim.

(b) Notwithstanding paragraph (a) above, each Obligor may set off any amount due and payable by it to a Defaulting Lender against any amount due and payable by the Defaulting Lender to that Obligor, in each case under the Finance Documents.

(c) The Obligor will notify the Agent and the Defaulting Lender as soon as practicable and in no event later than the date falling one Business Day prior to the due date for payment of the relevant amount by that Obligor that it intends to exercise a right of set off in accordance with paragraph (b) above and shall provide to the Agent and the Defaulting Lender reasonable computations in relation thereto.

29.8 **Business Days**

(a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

29.9 **Currency of account**

(a) Subject to paragraphs (b) to (e) below, US Dollars is the currency of account and payment for any sum due from an Obligor under any Finance Document.

(b) A repayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated on its due date.

(c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.

(d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(e) Any amount expressed to be payable in a currency other than US Dollars shall be paid in that other currency.

29.10 **Change of currency**

(a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Company); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).

(b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Company) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

29.11 **Disruption to Payment Systems etc.**

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Company that a Disruption Event has occurred:

(a) the Agent may, and shall if requested to do so by the Company, consult with the Company with a view to agreeing with the Company such changes to the operation or administration of the Facilities as the Agent may deem necessary in the circumstances;

(b) the Agent shall not be obliged to consult with the Company in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;

(c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;

(d) any such changes agreed upon by the Agent and the Company shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 35 (*Amendments and Waivers*);

(e) the Agent shall not be liable for any damages, costs or losses whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 29.11; and

(f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

30. **[****]**

31. **NOTICES**

31.1 **Communications in writing**

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

31.2 **Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

(a) in the case of the Company:

Address: Anheuser-Busch InBev SA/NV, Brouwerijplein 1, B-3000 Leuven, Belgium

Fax number: +32 (0)1 650 66 70

E-mail: benoit.loore@ab-inbev.com

Attention: Company Secretary

(b) in the case of each Lender or any other Obligor, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and

(c) in the case of the Agent:

Address: Fortis Bank SA/NV, Structured Finance / CIB / Agency (1MA2U)

Fax number: +32 (0)2 565 26 94

E-mail: anke.mergaerts@bnpparibasfortis.com /jeanpierre.nerinckx@bnpparibasfortis.com/guido.vanden berghe@bnpparibasfortis.com

Attention: Anke Mergaerts / Jean-Pierre Nerinckx / Guido Van Den Berghe

or any substitute address, fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days notice.

31.3 **Delivery**

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 31.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Agent will be effective only when actually received by the Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's signature below (or any substitute department or officer as the Agent shall specify for this purpose).

(c) All notices from or to an Obligor shall be sent through the Agent.

(d) Any communication or document made or delivered to the Company in accordance with this Clause 31.3 will be deemed to have been made or delivered to each of the Obligors.

31.4 **Notification of address and fax number**

Promptly upon receipt of notification of an address, and fax number or change of address or fax number pursuant to Clause 31.2 (*Addresses*) or changing its own address or fax number, the Agent shall notify the other Parties.

31.5 **Communication when Agent is Impaired Agent**

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

31.6 **Electronic communication**

(a) Any communication to be made between the Agent and a Lender under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Agent, and the relevant Lender:

(i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;

(ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(iii) notify each other of any change to their address or any other such information supplied by them.

(b) Any electronic communication made between the Agent and a Lender will be effective only when actually received in readable form and in the case of any electronic communication made by a Lender to the Agent only if it is addressed in such a manner as the Agent shall specify for this purpose.

31.7 **English language**

(a) Any notice given under or in connection with any Finance Document must be in English.

(b) All other documents provided under or in connection with any Finance Document must be:

(i) in English; or

(ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

## 32. CALCULATIONS AND CERTIFICATES

32.1 **Accounts**

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

32.2 **Certificates and determinations**

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

32.3 **Day count convention**

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

## 33. PARTIAL INVALIDITY

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

## 34. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

## 35. AMENDMENTS AND WAIVERS

### 35.1 Required consents

(a) Subject to Clause 35.2 (*Exceptions*) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Company and any such amendment or waiver will be binding on all Parties.

(b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 35.

(c) Each Obligor agrees to any such amendment or waiver permitted by this Clause 35 which is agreed to by the Company. This includes any amendment or waiver which would, but for this paragraph (c), require the consent of all of the Guarantors.

### 35.2 Exceptions

(a) An amendment or waiver that has the effect of changing or which relates to:

(i) the definitions of "Majority Lenders", "Super Majority Lenders" or "Margin" in Clause 1.1 (*Definitions*);

(ii) an extension to the date of payment of any amount under the Finance Documents (other than amounts being payable under Clause 8.2 (*Bond issuance Proceeds*);

(iii) a reduction in the Margin or the amount of any payment of principal, interest, fees or commission payable;

(iv) an increase in or an extension of any Commitment or the Total Commitments;

(v) a change to the Borrowers or Guarantors other than in accordance with Clause 25 (*Changes to the Obligors*);

(vi) any provision which expressly requires the consent of all the Lenders;

(vii) Clause 2.2 (*Finance Parties' rights and obligations*), Clause 24 (*Changes to the Lenders*) or this Clause 35,

shall not be made without the prior consent of all the Lenders.

(b) An amendment or waiver which relates to the rights or obligations of the Agent or the Bookrunners may not be effected without the consent of the Agent or the Bookrunners.

35.3 **Replacement of Lender**

(a) If at any time:

(i) any Lender becomes a Non-Consenting Lender (as defined in paragraph (c) below;

(ii) an Obligor becomes obliged to repay any amount in accordance with Clause 7.1 (*Illegality*) or to pay additional amounts pursuant to Clause 15 (*Increased Costs*), Clause 14.2 (*Tax gross-up*) or Clause 14.3 (*Tax indemnity*) to any Lender in excess of amounts payable to the other Lenders generally; or

(iii) any Lender becomes insolvent and its assets become subject to a receiver, liquidator, trustee, custodian or other person having similar powers or any winding-up, dissolution or administration;

then the Company may, on five Business Days' prior written notice to the Agent and that Lender, replace that Lender by requiring that Lender to (and that Lender shall) transfer pursuant to Clause 24 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this agreement to a Lender or other bank, financial institution, trust, fund or other entity (a "**Replacement Lender**") selected by the Company, and which is acceptable to the Agent (acting reasonably), which confirms its willingness to assume and does assume all the obligations of the transferring Lender (including the assumption of the transferring Lender's participations on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest and/or Break Costs and other amounts payable in relation thereto under the Finance Documents.

(b) The replacement of a Lender pursuant to this Clause 35.3 shall be subject to the following conditions:

(i) the Company shall have no right to replace the Agent;

(ii) neither the Agent nor any Lender shall have any obligation to the Company to find a Replacement Lender;

(iii) in the event of a replacement of a Non-Consenting Lender such replacement must take place no later than 30 Business Days after the date the Non-Consenting Lender notifies the Company and the Agent of its failure or refusal to agree to any consent, waiver or amendment to the Finance Documents requested by the Company; and

(iv) in no event shall the Lender replaced under this paragraph (b) be required to pay or surrender to such Replacement Lender any of the fees received by such Lender pursuant to the Finance Documents.

(c) In the event that:

(i) the Company or the Agent (at the request of the Company) has requested the Lenders to consent to a waiver or amendment of any provisions of the Finance Documents;

(ii) the waiver or amendment in question requires the consent of all the Lenders; and

(iii) the Super Majority Lenders have given their consent,

then any Lender who does not and continues not to agree to such waiver or amendment shall be deemed a "**Non-Consenting Lender**".

35.4 **Disenfranchisement of Defaulting Lenders**

(a) For so long as a Defaulting Lender has any Available Commitment, in ascertaining the Majority Lenders or whether any given percentage (including for the avoidance of doubt unanimity) of the Total Commitments has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, that Defaulting Lender's Commitments will be reduced by the amount of its Available Commitments.

(b) For the purposes of this Clause 35.4, the Agent may assume that the following Lenders are Defaulting Lenders:

(i) any Lender which has notified the Agent that it has become a Defaulting Lender; or

(ii) any Lender in relation to which it is aware that any of the events of circumstances referred to in paragraphs (a), (b) or (c) of the definition of "Defaulting Lender" has occurred,

unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

35.5 **Replacement of a Defaulting Lender**

(a) The Company may, at any time a Lender has become and continues to be a Defaulting Lender, by giving 5 Business Days' prior written notice to the Agent and such Lender:

(i) replace such Lender by requiring such Lender to (and such Lender shall) transfer pursuant to Clause 24 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement; or

(ii) require such Lender to (and such Lender shall) transfer pursuant to Clause 24 (*Changes to the Lenders*) all its rights and obligations under this Agreement with respect to all its unfunded participations in any Letters of Credit outstanding to the extent that those participations are not due and payable by it under this Agreement,

to a Lender or other bank, financial institution, trust, fund or other entity (a "**Replacement Lender**") selected by the Company, and which is acceptable to the Agent (acting reasonably), which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Lender (including the assumption of the transferring Lender's participations or unfunded participations (as the case may be) on the same basis as the transferring Lender).

(b) Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause shall be subject to the following conditions:

(i) the Company shall have no right to replace the Agent;

(ii) neither the Agent nor the Defaulting Lender shall have any obligation to the Company to find a Replacement Lender;

(iii) the transfer must take place no later than 30 days after the notice referred to in paragraph (a) above; and

(iv) in no event shall the Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents.

## 36. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

## 37. USA PATRIOT ACT

Each Lender hereby notifies each Obligor that such Lender, pursuant to the USA Patriot Act, will obtain, verify and record information specified under the USA Patriot Act that identifies such Obligor, which information includes the name and address of such Obligor and other information that will allow such Lender to identify such Obligor in accordance with the USA Patriot Act.

## 38. GOVERNING LAW

This Agreement and all non contractual obligations arising from or in connection with it are governed by English law.

## 39. ENFORCEMENT

### 39.1 Jurisdiction of English courts

(a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to non contractual obligations arising from or in connection with this Agreement or a dispute regarding the existence, validity or termination of this Agreement) (a "**Dispute**").

(b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

(c) This Clause 39.1 is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

39.2 **Service of process**

(a) Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in England and Wales):

(i) irrevocably appoints AB InBev UK Limited at Porter Tun House, 500 Capability Green, Luton, LU1 3LS (for the attention of the Legal Director) as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and

(ii) agrees that failure by an agent for service of process to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

(b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Company (on behalf of all the Obligors) must immediately (and in any event within ten days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose.

(c) Each Obligor expressly agrees and consents to the provisions of this Clause 39 and Clause 38 (*Governing Law*).

**THIS AGREEMENT** has been entered into on the date stated at the beginning of this Agreement.

**SCHEDULE 1**
**THE PRE-UTILISATION DATE PARTIES**

**PART 1**
**THE ORIGINAL GUARANTORS**

| Name of Guarantor | Jurisdiction of Incorporation | Registration No. or equivalent |
|---|---|---|
| The Company | Belgium | 0417.497.106 |
| Anheuser-Busch Companies, LLC | Delaware, U.S. | Federal tax identification number: 43-1162835 |
| Anheuser-Busch InBev Worldwide Inc. | Delaware, U.S. | 90-0421412 |
| Brandbrew SA | Luxembourg | B75.696 |
| Cobrew NV/SA | Belgium | 0428.975.372 |

**PART 2**
**THE ORIGINAL LENDERS**

| Name of Original Lenders | Facility A Commitment (USD) | Facility B Commitment (USD) |
|---|---|---|
| Bank of America, N.A | [****] | [****] |
| Banco Santander S.A. | [****] | [****] |
| Sovereign Bank, N.A. | [****] | [****] |
| Barclays Bank PLC | [****] | |
| Deutsche Bank AG, London Branch | [****] | [****] |
| Fortis Bank SA/NV | [****] | [****] |
| Bank of the West | [****] | [****] |
| ING Belgium SA/NV | [****] | [****] |
| JPMorgan Chase Bank, N.A. | [****] | [****] |
| Mizuho Corporate Bank, Ltd. | [****] | [****] |
| The Royal Bank of Scotland plc | [****] | [****] |
| Société Générale, London Branch | [****] | [****] |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | [****] | [****] |
| **Total:** | **6,000,000,000.00** | **8,000,000,000.00** |

## SCHEDULE 2
## CONDITIONS PRECEDENT

## PART 1
## CONDITIONS PRECEDENT TO INITIAL UTILISATION

### Original Obligors

1. A copy of the constitutional documents of each Original Obligor.
2. A copy of a resolution of the board of directors of each Original Obligor:
   (a) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;
   (b) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
   (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request and Selection Notice) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.
3. A copy of the minutes of the shareholders' meeting or a unanimous written resolution of the shareholders of each Original Obligor incorporated in Belgium other than the Company approving the terms of, and the transactions contemplated by, the Finance Documents to which such Obligor is a party, for the purposes of article 556 of the Belgian Companies Code, together with evidence that an extract of such resolutions has been duly filed with the clerk of the relevant commercial court in accordance with article 556 of the Belgian Companies Code.
4. A specimen of the signature of each person authorised by the resolution referred to in paragraph 2 above.
5. A certificate of the Company (signed by a director) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guaranteeing or similar limit binding on any Original Obligor to be exceeded.
6. A certificate of an authorised signatory of the relevant Original Obligor certifying that each copy document relating to it specified in this Part 1 of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

### Guarantors

7. Notwithstanding the principles set out in Schedule 9 (*Guarantee Principles*), a duly completed and executed Accession Letter from each company listed as a Guarantor in Part 1 of Schedule 1 (*Pre-Utilisation Date Parties*) which is not already a party to this Agreement (each such Accession Letter to incorporate any required limitation or similar language envisaged by Clause 19.11 (*Guarantee limitations*)).
8. All documents and other evidence listed in Part 2 of this Schedule in relation to each company referred to in paragraph 6 above.

**Finance Documents**

9. This Agreement, duly executed by the parties to it.
10. Each Fee Letter, duly executed by the parties to it.

**Legal opinions**

11. A legal opinion of Allen & Overy LLP, legal advisers to the Bookrunners and the Agent in England.
12. A legal opinion of Allen & Overy Luxembourg, legal advisers to the Bookrunners and the Agent in Luxembourg.
13. A legal opinion of Clifford Chance Brussels, legal advisers to the Company and the Belgian Obligors in Belgium.
14. A legal opinion of Allen & Overy Brussels, legal advisers to the Bookrunners and the Agent in Belgium.
15. A legal opinion of Sullivan & Cromwell LLP, legal advisers to the Company and the Obligors in the United States of America.

**Financial condition**

16. The Original Financial Statements.

**Other documents and evidence**

17. Evidence satisfactory to the Agent that each Lender has carried out and is satisfied with the results of all "**know your customer**" or other similar checks required in respect of the Original Obligors.
18. A detailed list of Security created by a member of the Group over its assets as at the date of this Agreement.
19. A detailed list of Financial Indebtedness incurred by a member of the Group (including the Anheuser-Busch Group) as at the date of this Agreement.
20. Evidence that the fees, costs and expenses then due from the Company pursuant to Clause 13 (*Fees*) and Clause 18 (*Costs and Expenses*) have been paid or will be paid by the first Utilisation Date.
21. A certificate from the Company that all conditions to the consummation of the Acquisition under the Transaction Agreement or to the purchase of shares under the Tender Offer Document (as applicable) have been met or (in a manner not breaching this Agreement) waived.

22. A copy of the executed Merger Agreement (if any) on customary terms and otherwise in a form acceptable to the Agent (acting reasonably).

23. A copy of the Tender Offer Document.

24. A copy of the executed Transaction Agreement on customary terms and otherwise in a form acceptable to the Agent (acting reasonably).

25. An agreed sources and uses report demonstrating that the Company has sufficient financing available to it under the Facilities and other relevant sources of financing to complete the Acquisition (and pay all related fees and expenses) and to refinance identified Financial Indebtedness of the Target Group which is required to be refinanced as a result of the Acquisition.

26. A copy of any other Acquisition Document.

**PART 2**
**CONDITIONS PRECEDENT REQUIRED TO BE DELIVERED BY AN ADDITIONAL OBLIGOR**

1. An Accession Letter, duly executed by the Additional Obligor and the Company.
2. A copy of the constitutional documents of the Additional Obligor.
3. A copy of a resolution of the board of directors of the Additional Obligor:
   (a) approving the terms of, and the transactions contemplated by, the Accession Letter and the Finance Documents and resolving that it execute the Accession Letter;
   (b) to the extent relevant, determining, and motivating the reasons of that determination, that it, as Obligor, has a corporate benefit justifying the assumption of any obligations it has pursuant to Clause 19 (*Guarantee and Indemnity*);
   (c) authorising a specified person or persons to execute the Accession Letter on its behalf; and
   (d) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices (including, in relation to an Additional Borrower, any Utilisation Request or Selection Notice) to be signed and/or despatched by it under or in connection with the Finance Documents.
4. Where appropriate, an up to date extract from the relevant trade and companies register for the Additional Obligor.
5. A copy of the minutes of the shareholders' meeting or a unanimous written resolution of the shareholders of each Additional Obligor incorporated in Belgium approving the terms of, and the transactions contemplated by, the Finance Documents to which such Obligor is a party, for the purposes of article 556 of the Belgian Companies Code, together with evidence that an extract of such resolutions has been duly filed with the clerk of the relevant commercial court in accordance with article 556 of the Belgian Companies Code.
6. A copy of a resolution of the general meeting of shareholders of each Dutch Additional Obligor approving the terms of, and the transactions contemplated by, the Finance Documents to which it is (or will become) a party.
7. To the extent applicable or required pursuant to its constitutional documents, a copy of a resolution of the supervisory directors of each Dutch Additional Obligor approving the terms of, and the transactions contemplated by, the Finance Documents to which it is (or will become) a party.
8. An unconditional positive works council advice (advies) of any competent works council in respect of the transactions contemplated by the Finance Documents to which a Dutch Additional Obligor is (or will become) a party.

9. A specimen of the signature of each person authorised by the resolution referred to in paragraph 3 above.

10. A copy of a resolution signed by all the holders of the issued shares in each Additional Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Guarantor is a party (where required under applicable law).

11. A copy of a good standing certificate (including verification of tax status) with respect to each U.S. Obligor, issued as of a recent date by the Secretary of State or other appropriate official of each U.S. Obligor's jurisdiction of incorporation or organisation.

12. To the extent applicable, a copy of the resolution of the managing body of the shareholders of each Luxembourg Additional Obligor approving the resolutions taken as a shareholder of that Additional Obligor.

13. A non bankruptcy certificate in respect of each Luxembourg Additional Obligor dated no more that one day prior to the date of the relevant Accession Letter.

14. A certificate of the Company (signed by a director) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments by the Additional Obligor would not cause any borrowing, guaranteeing or similar limit binding on it to be exceeded.

15. A certificate of an authorised signatory of the Additional Obligor certifying that each copy document listed in this Part 2 of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Letter.

16. A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Letter or for the validity and enforceability of any Finance Document.

17. If available, the latest audited financial statements of the Additional Obligor.

18. A legal opinion of Allen & Overy LLP, legal advisers to the Bookrunners and the Agent in England.

19. If the Additional Obligor is incorporated in a jurisdiction other than England and Wales, a legal opinion of the legal advisers to the Bookrunners and the Agent (or, if it is market practice in the relevant jurisdiction, legal advisers to the Additional Obligor) in the jurisdiction in which the Additional Obligor is incorporated.

20. If the proposed Additional Obligor is incorporated in a jurisdiction other than England and Wales, evidence that the process agent specified in Clause 39.2 (*Service of process*), if not an Obligor, has accepted its appointment in relation to the proposed Additional Obligor.

**SCHEDULE 3**
**REQUESTS**

**PART 1**
**UTILISATION REQUEST - LOANS**

From: [Borrower]

To: [Agent]

Dated:

Dear Sirs

**Anheuser-Busch InBev SA/NV – US$14,000,000,000 Senior Facilities Agreement dated [•] June 2012 as amended from time to time (the "Senior Facilities Agreement")**

1. We refer to the Senior Facilities Agreement. This is a Utilisation Request. Terms defined in the Senior Facilities Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
2. We wish to borrow a Loan on the following terms:
   (a) Borrower: [•]
   (b) Proposed Utilisation Date: [•] (or, if that is not a Business Day, the next Business Day)
   (c) Facility to be utilised: Facility [A/B]
   (d) Amount: US$[•] or, if less, the Available Facility
   (e) Interest Period [•]
3. We confirm that each condition specified in Clause 4.2 (*Further conditions precedent*) is satisfied on the date of this Utilisation Request.
4. [The proceeds of this Loan should be credited to [account]].
5. This Utilisation Request is irrevocable.

Yours faithfully

_____
authorised signatory for
[*insert name of Borrower*]

NOTES:

* Select the Facility to be utilised and delete references to the other Facility.

**PART 2**
**SELECTION NOTICE**

**Applicable to a Loan**

From: [Borrower]

To: [Agent]

Dated:

Dear Sirs

**Anheuser-Busch InBev SA/NV – US$14,000,000,000 Senior Facilities Agreement**
**dated [•] June 2012 as amended from time to time (the "Senior Facilities Agreement")**

1. We refer to the Senior Facilities Agreement. This is a Selection Notice. Terms defined in the Senior Facilities Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.
2. We refer to the following Facility [A/B] Loan[s] with an Interest Period ending on [•]*.
3. [We request that the above Facility [A/B] Loan[s] be divided into [•]Facility [A/B] Loans with the following amounts and Interest Periods:]**

*or*

[We request that the next Interest Period for the above Facility [A/B] Loan[s] is [•]].***

4. This Selection Notice is irrevocable.

Yours faithfully

_____
authorised signatory for
[*insert name of Relevant Borrower*]

NOTES:

* Insert details of all Loans for the relevant Facility which have an Interest Period ending on the same date.
** Use this option if division of Loans is requested.
*** Use this option if sub-division is not required.

**SCHEDULE 4**
**MANDATORY COST FORMULA**

1. The Mandatory Cost is an addition to the interest rate to compensate Lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.

2. On the first day of each Interest Period (or as soon as possible thereafter) the Agent shall calculate, as a percentage rate, a rate (the "**Additional Cost Rate**") for each Lender, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Agent as a weighted average of the Lenders' Additional Cost Rates (weighted in proportion to the percentage participation of each Lender in the relevant Loan) and will be expressed as a percentage rate per annum.

3. The Additional Cost Rate for any Lender lending from a Facility Office in a Participating Member State will be the percentage notified by that Lender to the Agent. This percentage will be certified by that Lender in its notice to the Agent to be its reasonable determination of the cost (expressed as a percentage of that Lender's participation in all Loans made from that Facility Office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Facility Office.

4. The Additional Cost Rate for any Lender lending from a Facility Office in the United Kingdom will be calculated by the Agent as follows:

   (a) in relation to a sterling Loan:

   $$\frac{AB + C(B - D) + Ex0.01}{100 - (A + C)}\% \text{ per annum}$$

   (b) in relation to a Loan in any currency other than sterling:

   $$\frac{Ex0.01}{300}\% \text{ per annum}$$

   Where:

   A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.

   B is the percentage rate of interest (excluding the Margin and the Mandatory Cost and, if the Loan is an Unpaid Sum, the additional rate of interest specified in paragraph (a) of Clause 10.3 (*Default interest*)) payable for the relevant Interest Period on the Loan.

   C is the percentage (if any) of Eligible Liabilities which that Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.

D is the percentage rate per annum payable by the Bank of England to the Agent on interest bearing Special Deposits.

E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Agent pursuant to paragraph 7 below and expressed in pounds per £1,000,000.

5. For the purposes of this Schedule:

   (a) "**Eligible Liabilities**" and "**Special Deposits**" have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

   (b) "**Fees Rules**" means the rules on periodic fees contained in the Financial Services Authority Fees Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;

   (c) "**Fee Tariffs**" means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate); and

   (d) "**Tariff Base**" has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

6. In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5% will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

7. If requested by the Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Agent, the rate of charge payable by that Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in pounds per £1,000,000 of the Tariff Base of that Reference Bank.

8. Each Lender shall supply any information required by the Agent for the purpose of calculating its Additional Cost Rate. In particular, but without limitation, each Lender shall supply the following information on or prior to the date on which it becomes a Lender:

   (a) the jurisdiction of its Facility Office; and

   (b) any other information that the Agent may reasonably require for such purpose.

   Each Lender shall promptly notify the Agent of any change to the information provided by it pursuant to this paragraph.

9. The percentages of each Lender for the purpose of A and C above and the rates of charge of each Reference Bank for the purpose of E above shall be determined by the Agent based upon the information supplied to it pursuant to paragraphs 7 and 8 above and on the assumption that, unless a Lender notifies the Agent to the contrary, each Lender's obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical bank from its jurisdiction of incorporation with a Facility Office in the same jurisdiction as its Facility Office.

10. The Agent shall have no liability to any person if such determination results in an Additional Cost Rate which over or under compensates any Lender and shall be entitled to assume that the information provided by any Lender or Reference Bank pursuant to paragraphs 3, 7 and 8 above is true and correct in all respects.

11. The Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Lenders on the basis of the Additional Cost Rate for each Lender based on the information provided by each Lender and each Reference Bank pursuant to paragraphs 3, 7 and 8 above.

12. Any determination by the Agent pursuant to this Schedule in relation to a formula, the Mandatory Cost, an Additional Cost Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all Parties.

13. The Agent may from time to time, after consultation with the Company and the Lenders, determine and notify to all Parties any amendments which are required to be made to this Schedule in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all Parties.

**SCHEDULE 5**
**FORM OF TRANSFER CERTIFICATE**

To: [Agent]

From: [The Existing Lender] (the "**Existing Lender**") and [The New Lender] (the "**New Lender**")

Dated:

**Anheuser-Busch InBev SA/NV – US$14,000,000,000 Senior Facilities Agreement dated [•] June 2012 as amended from time to time (the "Senior Facilities Agreement")**

1. We refer to the Senior Facilities Agreement. This is a Transfer Certificate. Terms defined in the Senior Facilities Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.
2. We refer to Clause 24.5 (*Procedure for transfer*):
   (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all or part of the Existing Lender's Commitment, rights and obligations referred to in the Schedule in accordance with Clause 24.5 (*Procedure for transfer*).
   (b) The proposed Transfer Date is [•].
   (c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 31.2 (*Addresses*) are set out in the Schedule.
3. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 24.4 (*Limitation of responsibility of Existing Lenders*).
4. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.
5. This Transfer Certificate is governed by English law.

**THE SCHEDULE**

**Commitment/rights and obligations to be transferred**

[*insert relevant details*]

[*Facility Office address, fax number and attention details for notices and account details for payments,*]

[Existing Lender] [New Lender]

By: By:

This Transfer Certificate is accepted by the Agent and the Transfer Date is confirmed as [•].

[Agent]

By:

**SCHEDULE 6**
**FORM OF ACCESSION LETTER**

To: [Agent]

From: [Subsidiary] and Anheuser-Busch InBev SA/NV

Dated:

Dear Sirs

**Anheuser-Busch InBev SA/NV – US$14,000,000,000 Senior Facilities Agreement dated [•] June 2012 as amended from time to time (the "Senior Facilities Agreement")**

1. We refer to the Senior Facilities Agreement. This is an Accession Letter. Terms defined in the Senior Facilities Agreement have the same meaning in this Accession Letter unless given a different meaning in this Accession Letter.
2. [Subsidiary] agrees to become an Additional [Borrower]/[Guarantor] and to be bound by the terms of the Senior Facilities Agreement as an Additional [Borrower]/[Guarantor] pursuant to [Clause 25.2 (*Initial Borrowers*)]/[Clause 25.3 (*Additional Borrowers*)]/[Clause 25.5 (*Additional Guarantors*)] of the Senior Facilities Agreement. [Subsidiary] is a company duly incorporated under the laws of [name of relevant jurisdiction] and is a limited liability company and registered number [•].
3. [Subsidiary's] administrative details are as follows:

   Address:

   Fax No.:

   Attention:
4. This Accession Letter is governed by English law.

   [This Accession Letter is entered into by deed.]

   [Company] [Subsidiary]

**SCHEDULE 7**
**FORM OF RESIGNATION LETTER**

To: [Agent]

From: [resigning Obligor] and Anheuser-Busch InBev SA/NV

Dated:

Dear Sirs

**Anheuser-Busch InBev SA/NV – US$14,000,000,000 Senior Facilities Agreement dated [•] June 2012 as amended from time to time (the "Senior Facilities Agreement")**

1. We refer to the Senior Facilities Agreement. This is a Resignation Letter. Terms defined in the Senior Facilities Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.
2. Pursuant to [Clause 25.4 (*Resignation of a Borrower*)]/[Clause 25.6 (*Resignation of a Guarantor*)], we request that [resigning Obligor] be released from its obligations as a [Borrower]/[Guarantor] under the Senior Facilities Agreement.
3. This letter is governed by English law.

| | |
|---|---|
| [ANHEUSER-BUSCH INBEV SA/NV] | [resigning Obligor] |
| By: | By: |

**SCHEDULE 8**
**TIMETABLES**

| | |
|---|---|
| Delivery of a duly completed Utilisation Request (Clause 5.1 (*Delivery of a Utilisation Request*)) or a Selection Notice (Clause 11.1 (*Selection of Interest Periods and Terms*) | Not later than 1.00 p.m. on the third Business Day prior to the desired date of the Loan |
| Agent notifies the Lenders of the Loan in accordance with Clause 5.4 (*Lenders' participation*) | Not later than 4.00 p.m. on the third Business Day prior to the desired date of the Loan |
| LIBOR is fixed | As of 11.00 a.m. on the Quotation Day |

All times in this Schedule refer to London time.

**SCHEDULE 9**
**GUARANTEE PRINCIPLES**

1. The guarantees to be provided will be given in accordance with the agreed guarantee principles set out in this Schedule 9. This Schedule addresses the manner in which the agreed guarantee principles (the "**Guarantee Principles**") will impact on the guarantees proposed to be taken in relation to the transaction contemplated by this Agreement.

2. The Guarantee Principles embody recognition by all parties that there may be certain legal, contractual and practical difficulties in obtaining guarantees from all Obligors in every jurisdiction in which Obligors are located. In particular:

   (a) general statutory limitations, financial assistance, corporate benefit, fraudulent preference, "thin capitalisation" rules, earnings stripping and similar principles may limit the ability of a member of the Group to provide a guarantee or may require that the guarantee be limited by an amount or otherwise; the Company will use all reasonable endeavours to assist in demonstrating that adequate corporate benefit accrues to Anheuser-Busch and each Obligor; and

   (b) members of the Group will not be required to give guarantees if it would conflict with the fiduciary duties of their directors or contravene any legal or regulatory prohibition (including, without limitation, any prohibition contained in case law) or result in a material risk of personal or criminal liability on the part of any officer **provided that** the relevant Group member shall use its all reasonable endeavours to overcome any such obstacle.

**SCHEDULE 10**
**MATERIAL BRANDS**

Stella Artois

Beck's

Leffe

Jupiler

Bass

Hoegaarden

Klinskoe

Budweiser

Michelob

Bud Light

Corona

**SCHEDULE 11**
**FORM OF INCREASE CONFIRMATION**

To: [•] as Agent and Anheuser-Busch InBev SA/NV as Company, for and on behalf of each Obligor

From: [*the Increase Lender*] (the "**Increase Lender**")

Dated:

**Anheuser-Busch InBev SA/NV – US$14,000,000,000 Senior Facilities Agreement dated [•] June 2012 as amended from time to time (the "Senior Facilities Agreement")**

1. We refer to the Senior Facilities Agreement. This is an Increase Confirmation for the purpose of the Senior Facilities Agreement. Terms defined in the Senior Facilities Agreement have the same meaning in this Increase Confirmation unless given a different meaning in this Increase Confirmation.
2. We refer to Clause 2.2 (*Increase*) of the Senior Facilities Agreement.
3. The Increase Lender agrees to assume and will assume all of the obligations corresponding to the Commitment specified in the Schedule (the "**Relevant Commitment**") as if it was an Original Lender under the Senior Facilities Agreement.
4. The proposed date on which the increase in relation to the Increase Lender and the Relevant Commitment is to take effect (the "**Increase Date**") is [•].
5. On the Increase Date, the Increase Lender becomes:
   (a) Party to the Finance Documents as a Lender; and
   (b) Party to [*other relevant agreements in other relevant capacity*].
6. The Facility Office and address, fax number and attention details for notices to the Increase Lender for the purposes of Clause 31.2 (*Addresses*) are set out in the Schedule.
7. The Increase Lender expressly acknowledges the limitations on the Lenders' obligations referred to in paragraph (f) of Clause 2.2 (*Increase*).
8. This Increase Confirmation may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Increase Confirmation.
9. This Increase Confirmation is governed by English law.
10. This Increase Confirmation has been entered into on the date stated at the beginning of this Increase Confirmation.

**THE SCHEDULE**

Relevant Commitment/rights and obligations to be assumed by the Increase Lender

[*insert relevant details*]

[*Facility office address, fax number and attention details for notices and account details for payments*]

[Increase Lender]

By:

This Increase Confirmation is accepted by the Agent and the Increase Date is confirmed as [date].

Agent

By:

**SIGNATURES**

The Company
ANHEUSER-BUSCH INBEV SA/NV

By: /s/ Benoit Loore

By: /s/ Ann Randon

ANHEUSER-BUSCH INBEV WORLDWIDE INC.
as Original Borrower

By: /s/ Fernando Tennenbaum

By: /s/ Scott Gray

COBREW NV/SA
as Original Borrower

By: /s/ Jean-Louis Van de Perre

By: /s/ Gert Boulangé

ANHEUSER-BUSCH INBEV SA/NV
as Original Guarantor

By: /s/ Benoit Loore

By: /s/ Ann Randon

ANHEUSER-BUSCH INBEV WORLDWIDE INC.
as Original Guarantor

By: /s/ Fernando Tennenbaum

By: /s/ Scott Gray

COBREW NV/SA
as Original Guarantor

By: /s/ Jean-Louis Van de Perre

By: /s/ Gert Boulangé

ANHEUSER-BUSCH COMPANIES, LLC
as Original Guarantor

By: /s/ Fernando Tennenbaum

By: /s/ Scott Gray

BRANDBREW SA
as Original Guarantor

By: /s/ Jean-Louis Van de Perre

BANC OF AMERICA SECURITIES LIMITED
as Bookrunner

By: /s/ Tarun Mehta
Director

BANCO SANTANDER S.A.
as Bookrunner

By: /s/ Marco Antonio Archón
Managing Director

By: /s/ Jose A. Tomas
Head of Corporate Finance

BARCLAYS BANK PLC
as Bookrunner

By: /s/ Keith Hatton
Managing Director

DEUTSCHE BANK AG, LONDON BRANCH
as Bookrunner

By: /s/ Violaine Thouraud
Acquisition Finance

By: /s/ Alastair Macdonald
Managing Director

FORTIS BANK SA/NV
as Bookrunner

By: /s/ Erik Puttemans
Senior Banker

By: /s/ Valérie Clar
Head Corporate Acquisition Finance, BNCET

ING BELGIUM SA/NV
as Bookrunner

By: /s/ Michael Clarke
Managing Director

JPMORGAN CHASE BANK, N.A.
as Bookrunner

By: /s/ Nick Thomas
Vice President

MIZUHO CORPORATE BANK, LTD.
as Bookrunner

By: /s/ Ali Gulfaraz
Deputy General Manager

RBS SECURITIES INC.
as Bookrunner

By: /s/ Peter Klein
Managing Director

SOCIÉTÉ GÉNÉRALE, LONDON BRANCH
as Bookrunner

By: /s/ Alexandre Huet
Deputy Head, Strategic & Acquisition Finance

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.
as Bookrunner

By: /s/ Charles Griffiths
Managing Director

By: /s/ Simon Lello
Managing Director

BANK OF AMERICA, N.A
as Original Lender

By: /s/ Tarun Mehta
Director

BANCO SANTANDER S.A.
as Original Lender

By: /s/ Marco Antonio Archón
Managing Director

By: /s/ Jose A. Tomas
Head of Corporate Finance

SOVEREIGN BANK, N.A.
as Original Lender

By: /s/ William Bllaaf
Senior Vice President

BARCLAYS BANK PLC
as Original Lender

By: /s/ Keith Hatton
Managing Director

DEUTSCHE BANK AG, LONDON BRANCH
as Original Lender

By: /s/ Violaine Thouraud
Acquisition Finance

By: /s/ Alastair Macdonald
Managing Director

FORTIS BANK SA/NV
as Original Lender

By: /s/ Erik Puttemans
Senior Banker

By: /s/ Valérie Clar
Head Corporate Acquisition Finance, BNCET

BANK OF THE WEST
as Original Lender

By: /s/ Roger Lumley
Senior Vice President

ING BELGIUM SA/NV
as Original Lender

By: /s/ Michael Clarke
Managing Director

JPMORGAN CHASE BANK, N.A.
as Bookrunner

By: /s/ Nick Thomas
Vice President

MIZUHO CORPORATE BANK, LTD.
as Original Lender

By: /s/ Ali Gulfaraz
Deputy General Manager

SOCIÉTÉ GÉNÉRALE, LONDON BRANCH
as Original Lender

By: /s/ Alexandre Huet
Deputy Head, Strategic & Acquisition Finance

THE ROYAL BANK OF SCOTLAND PLC
as Original Lender

By: /s/ Tracy Rahn
Director

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.
as Original Lender

By: /s/ Charles Griffiths
Managing Director

By: /s/ Simon Lello
Managing Director

The Agent
FORTIS BANK SA/NV

By: /s/ Erik Puttemans
Senior Banker

By: /s/ Valérie Clar
Head Corporate Acquisition Finance, BNCET

**Exhibit 4.16**

EXECUTION COPY

# AMENDED AND RESTATED

# MEMBERSHIP INTEREST PURCHASE AGREEMENT

**among**

**CONSTELLATION BEERS LTD.,**

**CONSTELLATION BRANDS BEACH HOLDINGS, INC.,**

**CONSTELLATION BRANDS, INC.,**

**and**

**ANHEUSER-BUSCH INBEV SA/NV**

**February 13, 2013**

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**EXHIBITS**



**SCHEDULES**

**AMENDED AND RESTATED**
**MEMBERSHIP INTEREST PURCHASE AGREEMENT**

**THIS AMENDED AND RESTATED MEMBERSHIP INTEREST PURCHASE AGREEMENT** (this "**Agreement**") is made and entered into as of February 13, 2013, by and among **Constellation Beers Ltd.**, a Maryland corporation ("**Constellation Beers**"), **Constellation Brands Beach Holdings, Inc.**, a Delaware corporation ("**CBBH**"), **Constellation Brands, Inc.**, a Delaware corporation ("**CBI**") and **Anheuser-Busch InBev SA/NV**, a Belgian corporation ("**ABI**"), and amends and restates that certain Membership Interest Purchase Agreement, dated as of June 28, 2012, by and among the parties hereto (the "**Original Purchase Agreement**").

**W I T N E S S E T H**

**WHEREAS,** on July 17, 2006, Diblo, S.A. de C.V., a Mexican *sociedad anónima de capital variable* ("**Diblo**"), and Constellation Beers (then known as Barton Beers, Ltd.) agreed to establish and engage in a joint venture, Crown Imports LLC, a Delaware limited liability company (the "**Importer**"), for the principal purpose of importing, marketing and selling beer packaged in containers bearing one or more of the trademarks belonging to Grupo Modelo, S.A.B. de C. V., a *sociedad anónima bursátil de capital variable* organized under the laws of Mexico ("**Grupo Modelo**"), or one of its Affiliates;

**WHEREAS,** GModelo Corporation, a Delaware corporation and a Subsidiary of Grupo Modelo ("**Seller**"), and Constellation Beers are parties to that certain Amended and Restated Limited Liability Company Agreement of Crown Imports LLC, dated as of January 2, 2007 (as amended through June 28, 2012, the "**LLC Agreement**");

**WHEREAS**, Seller holds fifty percent (50%) of the limited liability company membership interests (the "**LLC Interests**") of the Importer (the limited liability company membership interests owned by Seller, the "**Importer Interest**");

**WHEREAS**, on June 28, 2012, ABI and certain of its affiliated entities, Grupo Modelo, Diblo and Dirección de Fabricas, S.A. de C.V., a Mexican *sociedad anónima de capital variable* partially owned but not controlled by Diblo ("**Dijon**"), as applicable, have entered into certain transaction agreements pursuant to which (i) Diblo will be merged with and into Grupo Modelo, and simultaneously therewith, Dijon will be merged with and into Grupo Modelo, with Grupo Modelo continuing as the surviving company of these mergers, and (ii) a Subsidiary of ABI will commence a public tender offer in Mexico to purchase all of the outstanding shares of capital stock of Grupo Modelo not owned directly or indirectly by ABI (the "**Mandatory Tender Offer**"), in each case on the terms and subject to the conditions set forth therein (collectively, the "**GM Transaction**");

**WHEREAS**, on June 28, 2012, ABI, CBI, Constellation Beers and CBBH entered into the Original Purchase Agreement;

**WHEREAS**, on the date hereof, ABI and CBI have entered into that certain Stock Purchase Agreement (the "**Brewery SPA**"), pursuant to which CBI agreed to purchase all of the

issued and outstanding shares of capital stock of Compañia Cervecera de Coahuila, S.A. de C.V., a sociedad anónima de capital variable organized under the laws of Mexico, and all of the issued and outstanding shares of capital stock of Servicios Modelo de Coahuila, S.A. de C.V., a sociedad anónima de capital variable organized under the laws of Mexico (such transactions, collectively, the "**Brewery Transaction**");

**WHEREAS**, in connection with and contingent on the consummation of the transactions contemplated herein, ABI and CBI shall consummate the Brewery Transaction immediately following the consummation of the transactions contemplated herein;

**WHEREAS**, in connection with and contingent on the consummation of the GM Transaction Closing, ABI desires to cause Seller to divest the Importer Interest simultaneously with the GM Transaction Closing; and

**WHEREAS**, CBI desires to cause Constellation Beers and CBBH to purchase the Importer Interest from Seller, and ABI desires to cause Seller to sell the Importer Interest to Constellation Beers and CBBH, all upon the terms and conditions set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the premises, mutual covenants, agreements, representations and warranties contained in this Agreement, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

## ARTICLE 1
## DEFINITIONS AND RULES OF CONSTRUCTION

**1.1 Definitions.** As used in this Agreement, the following terms have the meanings set forth below:

"**ABI**" has the meaning set forth in the Preamble to this Agreement.

"**ABI Guaranteed Obligations**" has the meaning set forth in **Section 6.1**.

"**ABI Objection**" has the meaning set forth in **Section 2.3(b)**.

"**Affiliate**" of any Person means any other Person which, directly or indirectly, controls or is controlled by that Person, or is under common control with that Person. For purposes of this definition, "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; **provided**, **however**, that unless and until the GM Transaction Closing has occurred, none of Grupo Modelo, Seller or any of their respective controlled Affiliates shall be considered Affiliates of ABI or any of its Subsidiaries (excluding Grupo Modelo, Seller or any of their controlled Affiliates) and none of ABI or any of its Subsidiaries (excluding Grupo Modelo, Seller or any of their controlled Affiliates) shall be considered Affiliates of Grupo Modelo, Seller or any of their Affiliates.

"**Agreement**" has the meaning set forth in the Preamble to this Agreement.

"**Alcoholic Beverage Authorities**" means the United States Alcohol and Tobacco Tax and Trade Bureau, as well as the applicable state, local, municipal, provincial, foreign, and other Governmental Authorities that regulate the production and sale of alcoholic beverage products.

"**Alternative Purchaser**" has the meaning set forth in **Section 12.5(b)**.

"**Bank of America**" has the meaning set forth in **Section 5.10**.

"**Breach**" means, with respect to any agreement, any inaccuracy in, or breach or violation of, or default under, or failure to perform or comply with, any representation, warranty, covenant, obligation or other provision of such agreement.

"**Brewery SPA**" has the meaning set forth in the Recitals to this Agreement.

"**Brewery Transaction**" has the meaning set forth in the Recitals to this Agreement.

"**Business Day**" means any day, other than Saturday, Sunday or a day on which banking institutions in New York, New York, Chicago, Illinois, Mexico City, Mexico or Brussels, Belgium are authorized or obligated by Law to close.

"**Buyer**" means individually, and "**Buyers**" means collectively, each of Constellation Beers and CBBH.

"**Buyer Party**" means individually, and "**Buyer Parties**" means collectively, each of Constellation Beers, CBBH, and CBI.

"**CBBH**" has the meaning set forth in the Preamble to this Agreement.

"**CBI**" has the meaning set forth in the Preamble to this Agreement.

"**CBI Guaranteed Obligations**" has the meaning set forth in **Section 7.1**.

"**CBI Interest**" has the meaning set forth in **Section 12.5(b)**.

"**Closing**" has the meaning set forth in **Section 3.1**.

"**Closing Date**" has the meaning set forth in **Section 3.1**.

"**Closing Statement**" means the statement that sets forth the Distribution Amount, prepared, or caused to be prepared, by CBI in accordance with **Section 2.3(a)**.

"**Code**" means the Internal Revenue Code of 1986, and rules and regulations promulgated pursuant thereto, each as amended and in effect from time to time.

"**Confidentiality Agreement**" has the meaning set forth in **Section 14.4**.

"**Consent**" means any consent, order, approval, ratification, waiver or other authorization issued or granted by any Governmental Authority or any other Person, or any notice, registration or filing delivered to or filed with any Governmental Authority or any other Person, including any Permit.

"**Constellation Beers**" has the meaning set forth in the Preamble to this Agreement.

"**Contract**" means any agreement, contract, instrument, commitment, covenant, promissory note, bond, indenture, insurance policy, deed, lease, sublease, license, purchase order, sales order or other obligation or arrangement (whether written or oral) that is legally binding.

"**CPA Firm**" has the meaning set forth in **Section 2.3(c)**.

"**Damages**" means any and all losses, charges, damages, Liabilities, obligations, judgments, settlements, Taxes, fines, penalties, awards, costs and expenses including but not limited to reasonable attorneys' fees, whether or not resulting from third party claims.

"**Diblo**" has the meaning set forth in the Recitals to this Agreement.

"**Dijon**" has the meaning set forth in the Recitals to this Agreement.

"**Distribution Amount**" means an amount equal to the product of (i) the amount of Available Cash (as defined in, and calculated in accordance with, Section 10.1 of the LLC Agreement (as in effect as of June 28, 2012)) required pursuant to Section 10.2(a) of the LLC Agreement (as in effect as of June 28, 2012) to be distributed to Seller and Constellation Beers in accordance with their respective Percentage Interests (as defined in the LLC Agreement as in effect as of June 28, 2012 and which for each such member shall be equal to 50% for purposes of this definition) at the end of the calendar month in which the Closing occurs (assuming, for purposes of this definition, that Seller is a Member of the Importer at the time of such distribution) and (ii) the quotient of (A) the number of days elapsed from the beginning of the calendar month in which the Closing occurs until (and including) the Closing Date and (B) the number of days in the calendar month in which the Closing occurs. For the avoidance of doubt, in no event will the Distribution Amount be less than zero.

"**Drag-Along Notice**" has the meaning set forth in **Section 12.5(b)(i)**.

"**Drag-Along Right**" has the meaning set forth in **Section 12.5(b)**.

"**EBIT**" means, for Importer or any other Person for any period, the earnings of the Importer or such other Person for such period before interest and taxes, computed in accordance with generally accepted accounting principles in the United States of America, consistently applied, and converted to United States dollars.

"**Entire Importer Interest**" has the meaning set forth in **Section 12.5(b)**.

"**Extrade**" means Extrade II, S.A. de C.V., a sociedad anónima de capital variable organized under the Laws of Mexico.

"**Final Closing Statement**" has the meaning set forth in **Section 2.3(c)**.

"**Final Distribution Amount**" has the meaning set forth in **Section 2.3(c)**.

"**Financing**" has the meaning set forth in **Section 5.10**.

"**Financing Commitment**" has the meaning set forth in **Section 5.10**.

"**GM Transaction**" has the meaning set forth in the Recitals to this Agreement.

"**GM Transaction Agreement**" means that certain transaction agreement, dated as June 28, 2012, and as it may be amended from time to time, by and among Grupo Modelo, Diblo, ABI and certain affiliated entities of ABI.

"**GM Transaction Closing**" means the Settlement Date (as defined in the GM Transaction Agreement).

"**GM Transaction Closing Notice**" has the meaning set forth in **Section 3.1**.

"**Governmental Authority**" means any federal, national, state, provincial, municipal or local government, administrative or legislative body, governmental or regulatory agency or authority, bureau, office, commission, court, department or other instrumentality or other governmental entity of any country.

"**Grupo Modelo**" has the meaning set forth in the Recitals to this Agreement.

"**Importer**" has the meaning set forth in the Recitals to this Agreement.

"**Importer Interest**" has the meaning set forth in the Recitals to this Agreement.

"**Importer Office Lease**" has the meaning set forth in **Section 9.8**.

"**Indemnified Party**" has the meaning set forth in **Section 12.3**.

"**Indemnifying Party**" has the meaning set forth in **Section 12.3**.

"**Interim Supply Agreement**" means that certain Interim Supply Agreement by and between Supplier and Importer, and to be executed at the Closing, substantially in the form attached hereto as **Exhibit A**.

"**JPMorgan**" has the meaning set forth in **Section 5.10**.

"**Knowledge**" means, with respect to the Buyer Parties, Robert Sands, Richard Sands, Paul Hetterich, Robert Ryder, Susan Gardner, David Klein and Thomas Mullin, in each case, after reasonably prudent inquiry.

"**Law**" means (a) any constitution, statute, law, code, ordinance, regulation, treaty, rule, common law, policy or interpretation enacted, published or promulgated by any Governmental Authority, including, but not limited to, laws and regulations applicable to the production and

sale of alcoholic beverage products, "dram shop" laws, safety laws or other similar regulations; and (b) with respect to a particular Person, the terms of any Order or Permit binding upon such Person or its assets or properties.

"**Liability**" means any liability, indebtedness, commitment or other obligation of any kind (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, due or to become due, or otherwise).

"**Lien**" means any charge, claim, mortgage, lease, sublease, occupancy agreement or similar Contract, tenancy, right-of-way, easement, collateral assignment, restrictive covenant, encroachment, Order, community property interest, equitable interest, security interest, lien (statutory or otherwise), pledge, hypothecation, option, right of first refusal or other similar restriction, limitation, exception or encumbrance, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

"**LLC Agreement**" has the meaning set forth in the Recitals to this Agreement.

"**LLC Interests**" has the meaning set forth in the Recitals to this Agreement.

"**Mandatory Tender Offer**" has the meaning set forth in the Recitals to this Agreement.

"**Marcas Modelo**" means Marcas Modelo, S.A. de C.V., a sociedad anónima de capital variable organized under the Laws of Mexico.

"**Members**" has the meaning set forth in the LLC Agreement as in effect on June 28, 2012.

"**Membership Interest Assignment**" means the assignment of membership interest to be executed at the Closing, substantially in the form attached hereto as **Exhibit B**, transferring the Importer Interest to Constellation Beers, CBBH or CBI, as applicable.

"**Modelo Group**" means Grupo Modelo and all Persons that, now or in the future, are related to Grupo Modelo by virtue of Grupo Modelo's direct or indirect share ownership, and any Affiliates thereof, and ABI, Anheuser-Busch Companies, LLC, Anheuser-Busch International, Inc., Anheuser-Busch International Holdings, Inc., and any of their respective Affiliates.

"**Modelo Group Obligor**" has the meaning set forth in **Section 6.1**.

"**Order**" means any order, injunction (whether temporary, preliminary or permanent), ruling, decree (including any consent decree), writ, subpoena, verdict, charge, judgment, assessment or other decision entered, issued, made or rendered by any Governmental Authority or by any arbitrator.

"**Organizational Documents**" means, with respect to a particular Person, (a) if such Person is a corporation, its certificate or articles of incorporation, organization or formation and its by-laws; (b) if such Person is a general partnership, its partnership agreement and any statement of partnership; (c) if such Person is a limited partnership, its certificate of limited

partnership and its limited partnership agreement; (d) if such Person is a limited liability company, its certificate or articles of formation or organization and limited liability company or operating agreement; (e) any other charter or similar document adopted or filed in connection with the creation, formation or organization of such Person; and (f) any amendment to any of the foregoing.

"**Original Purchase Agreement**" has the meaning set forth in the Preamble to this Agreement.

"**Participatory Transaction**" has the meaning set forth in **Section 12.5(b)(i)**.

"**Participatory Transaction Amount**" means (i) if the Participatory Transaction involves only the sale of the Entire Importer Interest and the Shares (as defined in the Brewery SPA) and the transactions contemplated by the exhibits and documents ancillary to this Agreement and the Brewery SPA, and there are no other transactions occurring concurrently therewith or occurring subsequent thereto but contemplated thereby, an amount equal to twenty-eight percent (28%) of the entire consideration, converted into United States dollars, received by ABI and its Affiliates in such Participatory Transaction, and (ii) if the Participatory Transaction is different than in clause (i), an amount equal to the product of (a) the fraction, the numerator of which is EBIT of the Importer for the twelve (12) month period immediately prior to the date of the definitive agreement or agreements for the transaction that includes a Participatory Transaction are executed, and the denominator of which is EBIT for the Importer and all other businesses, assets, properties and/or entities proposed to be sold in such Participatory Transaction and other transactions occurring concurrently therewith or occurring subsequent thereto but contemplated thereby, it being understood and agreed that such amounts shall not include on-going payments for services provided after such transaction or transactions are consummated, provided the terms thereof have been set at arms-length terms, for the twelve (12) month period immediately prior to the date of the definitive agreement or agreements for such transaction, including the Participatory Transaction, are executed, multiplied by (b) the entire consideration, converted into United States dollars, received by ABI and its Affiliates in such Participatory Transaction and other transactions occurring concurrently therewith or occurring subsequent thereto but contemplated thereby, multiplied by (c) 0.5, it being understood and agreed that such amounts shall not include on-going payments for services provided after such transaction or transactions are consummated, provided the terms thereof have been set at arms-length terms.

"**Permit**" means any permit, license, exemption, variance, registration, security clearance or other authorization issued or granted by any Governmental Authority.

"**Permitted Liens**" means (i) Liens for Taxes, assessments and other governmental charges not yet due and payable or due but not delinquent or being contested in good faith by appropriate proceedings; (ii) Liens arising under the LLC Agreement; (iii) restrictions on transfer imposed by applicable securities laws or state corporation, limited liability company or partnership laws; (iv) Liens arising under this Agreement or the other Transaction Documents; and (v) Liens created by the Buyer Parties or any of their Affiliates.

"**Person**" means any individual, firm, company, general partnership, limited partnership, limited liability partnership, joint venture, association, corporation, limited liability company, trust, business trust, estate, Governmental Authority or other entity.

"**Proceeding**" means any action, claim, complaint, charge, arbitration, audit, hearing, investigation, inquiry, suit, litigation or other proceeding (whether civil, criminal, administrative, investigative or informal) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority or arbitrator.

"**Products**" has the meaning set forth in the Interim Supply Agreement.

"**Purchase Price**" has the meaning set forth in **Section 2.2(a)**.

"**Remedial Action**" has the meaning set forth in **Section 9.1**.

"**Restrictive Terms**" has the meaning set forth in **Section 12.5(b)(ii)**.

"**Securities Act**" means the Securities Act of 1933 and the rules and regulations promulgated thereunder, in each case, as amended.

"**Seller**" has the meaning set forth in the Recitals to this Agreement.

"**Seller Party**" means individually, and "**Seller Parties**" means collectively, each of Seller and ABI.

"**Sub-license Agreement**" means that certain Amended and Restated Sub-license Agreement by and between Constellation Beers Ltd. and Marcas Modelo, S.A. de C.V., to be executed at the closing of the Brewery Transaction.

"**Subsidiary**" means, with respect to any Person, a corporation, partnership, joint venture, limited liability company, trust, estate or other Person of which (or in which), directly or indirectly, more than fifty percent (50%) of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors, managers or others performing similar functions of such entity (irrespective of whether at the time capital stock of any other class or classes of such entity shall or might have voting power upon the occurrence of any contingency); (b) the interest in the capital or profits of such partnership, joint venture or limited liability company or other Person; or (c) the beneficial interest in such trust or estate, is at the time owned by such first Person, or by such first Person and one (1) or more of its other Subsidiaries or by one (1) or more of such Person's other Subsidiaries.

"**Supplier**" means Grupo Modelo.

"**Tax**" or "**Taxes**" means, however denominated, all federal, state, local, foreign and other taxes, levies, fees, imposts, assessments, impositions or other government charges, including all net income, gross income, estimated income, gross receipts, business, occupation, franchise, real property, payroll, personal property, sales, transfer, stamp, use, employment, social security, unemployment, worker's compensation, commercial rent, withholding, occupancy, premium, gross receipts, profits, windfall profits, deemed profits, recapture, license,

lease, severance, capital, production, corporation, ad valorem, excise, custom, duty, escheat, built in gain pursuant to Code Section 1374 or similar tax, including any interest, fines, penalties and additions (to the extent applicable) thereon or thereto, whether disputed or not, and any obligations with respect to such amounts arising as a result of being a member of an affiliated, consolidated, combined or unitary group for any period or under any Contract with any other Person, and including any Liability for taxes of a predecessor.

"**Terminated Agreements**" means the agreements listed on **Schedule 13.1**.

"**Termination Fee**" has the meaning set forth in **Section 11.2(c)**.

"**Territory**" means the fifty states of the United States of America, the District of Columbia and Guam.

"**Third Party Claim**" has the meaning set forth in **Section 12.3**.

"**Transaction Documents**" means this Agreement, the Interim Supply Agreement, the Membership Interest Assignment and all other agreements, certificates, instruments and other documents being delivered pursuant to this Agreement or pursuant to such other agreements, certificates, instruments and other documents.

"**Transition Services Agreement**" means that certain Transition Services Agreement by and between ABI and CBI, to be executed at the closing of the Brewery Transaction.

**1.2 Certain Interpretive Matters.**

(a) **General Rules of Construction**. In this Agreement, unless the context otherwise requires:

(i) words of the masculine or neuter gender shall include the masculine and/or feminine gender, and words in the singular number or in the plural number shall each include the singular number or the plural number;

(ii) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity;

(iii) reference to any agreement (including this Agreement) or other Contract or any document means such agreement, Contract or document as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof;

(iv) all amounts in this Agreement and the other Transaction Documents are stated and shall be paid in United States dollars unless specifically otherwise provided;

(v) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding or succeeding such term;

(vi) relative to the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including;”

(vii) “hereto”, “herein”, “hereof”, “hereinafter” and similar expressions refer to this Agreement in its entirety, and not to any particular Article, Section, paragraph or other part of this Agreement;

(viii) reference to any “Article” or “Section” means the corresponding Article(s) or Section(s) of this Agreement;

(ix) the descriptive headings of Articles, Sections, paragraphs and other parts of this Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement or any of the terms or provisions hereof;

(x) reference to any Law or Order, means (A) such Law or Order as amended, modified, codified, supplemented or reenacted, in whole or in part, and in effect from time to time; and (B) any comparable successor Laws or Orders; and

(xi) any Contract, instrument, insurance policy, certificate or other document defined or referred to in this Agreement or in any other Transaction Document means such Contract, instrument, insurance policy, certificate or other document as from time to time amended, modified or supplemented, including (in the case of Contracts or instruments) by waiver or Consent and all attachments thereto and instruments and other documents incorporated therein.

(b) **Acknowledgment Regarding Negotiation and Preparation of Agreement.** The parties hereto further acknowledge and agree that (i) this Agreement is the result of negotiations between the parties hereto and shall not be deemed or construed as having been drafted by any one party; (ii) each of the parties hereto has been represented by its own legal counsel in connection with the negotiations and preparation of this Agreement, each of the parties hereto has been independently advised as to Tax consequences of the contemplated transactions, and each of the parties hereto and its counsel and advisors have reviewed and negotiated the terms and provisions of this Agreement (including any exhibits and schedules attached hereto) and have contributed to its preparation; and (iii) the rule of construction to the effect that any ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement.

## ARTICLE 2
## PURCHASE AND SALE OF THE CROWN INTEREST

**2.1 Purchase and Sale of the Importer Interest.** Upon the terms and subject to the conditions of this Agreement, at the Closing, Constellation Beers shall purchase and accept

delivery of **98%** of the Importer Interest from Seller, CBBH shall purchase and accept delivery of **2%** of the Importer Interest from Seller, and ABI shall cause Seller to sell, assign, transfer and deliver the Importer Interest to Constellation Beers and CBBH in accordance with the percentages provided in this **Section 2.1**, free and clear of all Liens (other than Permitted Liens).

**2.2 Purchase Price and Payment**.

(a) The total purchase price for the Importer Interest will be an aggregate amount in cash equal to **$1,845,000,000 Dollars** (the "**Purchase Price**").

(b) At the Closing, the Buyer Parties shall pay to Seller an aggregate amount in cash equal to the Purchase Price by wire transfer of immediately available funds to the account of Seller or its designee at a bank that is designated by ABI in writing at least two Business Days prior to the Closing.

**2.3 Final Distribution of Available Cash**.

(a) As soon as practicable but in no event more than 30 days following the Closing, CBI shall prepare, or cause to be prepared, and deliver to ABI the Closing Statement. The calculation of Available Cash (as defined in, and calculated in accordance with, Section 10.1 of the LLC Agreement (as in effect as of June 28, 2012)) set forth in the Closing Statement shall be prepared in accordance with the Importer's accounting methods, policies, practices and procedures as of June 28, 2012, in the same manner, with consistent classification and estimation methodology, as the audited balance sheet of the Importer for the fiscal year ended December 31, 2011 delivered by CBI to ABI prior to June 28, 2012 and in the same manner as Available Cash was calculated for the most recent distribution made to the Members prior to June 28, 2012 pursuant to Section 10.2 of the LLC Agreement as in effect on June 28, 2012.

(b) In the event that ABI disagrees with CBI's proposed calculation of the Distribution Amount as set forth in the Closing Statement, ABI shall, within 30 days after receipt of the Closing Statement, so inform CBI in writing (the "**ABI Objection**"), setting forth a description of the basis of ABI's disagreement and its calculation of the Distribution Amount. During the 30-day period after ABI's receipt of the Closing Statement, subject to applicable Law, ABI and its representatives shall be provided with such access to the financial books and records of the Importer as well as any relevant work papers used by each of CBI and Importer and its respective employees, advisors or representatives to prepare the Closing Statement, as well as access to individuals and representatives responsible for and knowledgeable about the information used in the preparation of the Closing Statement and the calculation of the Distribution Amount as it may reasonably request to enable it to evaluate CBI's calculation of the Distribution Amount; **provided**, **that**, if ABI and its employees are not permitted by reason of applicable Law direct access to such books, records or individuals, the parties shall cooperate and work in good faith to agree on appropriate clean room procedures to permit ABI's representatives to have such access and to share the maximum amount of such information with ABI and its representatives as legally permissible and, if necessary, such 30-day period shall be extended to allow such access. CBI shall, following the Closing through the date the Closing Statement and the Distribution Amount are finally determined in accordance with the penultimate sentence of **Section 2.3(c)**, take all action reasonably necessary or desirable to

maintain and preserve all books and records, policies and procedures on which the Closing Statement and the calculation of the Distribution Amount contained therein are based so as not to impede or delay the determination of the Distribution Amount, the Closing Statement, the ABI Objection, the Final Closing Statement and the Final Distribution Amount. If no ABI Objection is received by CBI on or before the last day of such 30-day period (as such period may be extended), then the Distribution Amount set forth on the Closing Statement delivered by CBI shall be final and binding upon ABI in accordance with the penultimate sentence of **Section 2.3(c)**. During the 30 days immediately following the delivery of the ABI Objection, ABI and CBI shall seek to resolve any disagreement that they may have with respect to the matters specified in the ABI Objection.

(c) If CBI and ABI are unable to resolve all their disagreements with respect to the matters set forth in the ABI Objection during the 30 days following CBI's receipt of the ABI Objection, they shall refer any remaining disagreements to Ernst & Young LLP, or if Ernst & Young LLP is unable to serve in such a capacity, such other reputable internationally-recognized firm of independent certified public accountants mutually acceptable to CBI and ABI (Ernst & Young LLP or such other firm, the "**CPA Firm**") which, acting as experts and not as arbitrators, shall determine, on the basis set forth in and in accordance with **Section 2.3(a)** and the definition of Closing Statement and Distribution Amount, whether and to what extent, if any, the Distribution Amount set forth in the Closing Statement requires adjustment. The parties shall instruct the CPA Firm to deliver its written determination to CBI and ABI no later than 30 days after the remaining differences underlying the ABI Objection are referred to the CPA Firm. The CPA Firm's determination shall be final and binding upon CBI and ABI and their respective Affiliates. If the CPA Firm determines the Distribution Amount set forth in the Closing Statement requires adjustment, its calculation of the Distribution Amount shall not be higher than the amounts advocated by ABI in the ABI Objection nor lower than the amounts advocated by CBI in the Closing Statement. The fees and disbursements of the CPA Firm shall be borne equally by CBI and ABI. The parties shall make readily available to the CPA Firm all relevant books and records and any work papers (including those of the parties' respective accountants) relating to the Closing Statement and the ABI Objection and all other items reasonably requested by the CPA Firm in connection therewith. The Closing Statement and Distribution Amount that are final and binding on CBI, ABI and their respective Affiliates, as determined either through agreement of CBI and ABI or through the determination of the CPA Firm pursuant to this **Section 2.3(c)**, are referred to herein as the "**Final Closing Statement**" and the "**Final Distribution Amount**". The Final Distribution Amount shall bear interest from the date that the Distribution Amount would have been paid pursuant to the LLC Agreement (in effect as of June 28, 2012) at the rate of 2% per annum.

(d) CBI shall pay, or cause to be paid, the Final Distribution Amount to ABI and Constellation Beers in cash by wire transfer of immediately available funds to an account designated in advance by ABI and Constellation Beers no later than the third Business Day after the date that the Final Distribution Amount is finally determined pursuant to **Section 2.3(b)** or **Section 2.3(c)**.

## ARTICLE 3
## THE CLOSING

**3.1 Closing and Closing Date.** Unless this Agreement shall have been terminated and the transactions herein contemplated shall have been abandoned in accordance with the terms and provisions of **Article 11** and except as agreed to in writing by ABI and CBI, the purchase and sale of Importer Interest (the "**Closing**"), shall take place on the later to occur of (a) the GM Transaction Closing, (b) the eighteenth (18th) day following the delivery by ABI to CBI of a written notice specifying the anticipated date of the GM Transaction Closing (the "**GM Transaction Closing Notice**"), and (c) issuance of a no objection letter from the Mexican Federal Competition Commission (*Comisión Federal de Competencia*) in connection with the Brewery Transaction, or expiration of the relevant statutory period (and any extension thereof) as set forth in Sections 21.III and 21.IV of the Federal Economic Competition Law (*Ley Federal de Competencia Económica*) for the parties to be entitled to consummate the Brewery Transaction; **provided**, **however**, that if the conditions to Closing set forth in **Section 10.1(a)** and **Section 10.2(a)** have not been satisfied, or, to the extent permitted by applicable Law, waived as of the later of (i) the GM Transaction Closing, (ii) the eighteenth (18th) day following the delivery by ABI to CBI of the GM Transaction Closing Notice, and (iii) issuance of a no objection letter from the Mexican Federal Competition Commission (*Comisión Federal de Competencia*) in connection with the Brewery Transaction, or expiration of the relevant statutory period (and any extension thereof) as set forth in Sections 21.III and 21.IV of the Federal Economic Competition Law (*Ley Federal de Competencia Económica*) for the parties to be entitled to consummate the Brewery Transaction, then the purchase and sale of Importer Interest shall take place as promptly after such later date as permitted by applicable Law after the conditions set forth in **Section 10.1(a)** and **Section 10.2(a)** have been satisfied or, to the extent permitted by applicable Law, waived (such date and time on and at which the Closing actually occurs being referred to herein as the "**Closing Date**"). The Closing shall take place at the offices of ABI's counsel, Sullivan & Cromwell LLP, 125 Broad Street, New York, New York. The GM Transaction Closing Notice shall be delivered no earlier than the date a Subsidiary of ABI commences the Mandatory Tender Offer.

**3.2 Documents and Items to be Delivered to the Buyer Parties.** At the Closing, ABI shall deliver, or cause to be delivered, to CBI:

(a) The Membership Interest Assignments;

(b) A certificate in form and substance reasonably acceptable to CBI, dated the Closing Date, executed by a duly authorized officer of ABI, certifying: (i) that attached thereto is a true and complete copy of the resolutions duly adopted by the board of directors of ABI on or prior to the date hereof authorizing the execution and delivery of this Agreement and each of the other Transaction Documents to which ABI is a party, and that such resolutions have not been modified, rescinded or amended and are in full force and effect as of the Closing Date; and (ii) as to the incumbency of the ABI officers executing this Agreement or a Transaction Document and their signatures;

(c) A certificate in form and substance reasonably acceptable to CBI, dated the Closing Date, executed by a duly authorized officer of the Seller, certifying: (i) that attached

thereto is a true and complete copy of the resolutions duly adopted by the board of directors of the Seller as of the Closing Date authorizing the execution and delivery of the Membership Interest Assignments, and that such resolutions have not been modified, rescinded or amended and are in full force and effect as of the Closing Date; and (ii) as to the incumbency of the Seller's officers executing the Membership Interest Assignments and their signatures;

(d) Executed signature pages to the written consent of Importer's board of directors from the members of Importer's board of directors that are appointed or elected by the Seller, which consent shall approve an election under Code Section 754 and shall be in a form reasonably acceptable to the parties; and

(e) The Interim Supply Agreement duly executed by Supplier.

**3.3 Documents and Items to be Delivered to ABI by the Buyer Parties.** At the Closing, the Buyer Parties will deliver, or cause to be delivered, to ABI:

(a) The payment required to be made by CBI to ABI pursuant to **Section 2.2(b)**;

(b) A certificate, in form and substance reasonably acceptable to ABI, executed by an authorized officer of Constellation Beers, dated the Closing Date, certifying (i) that attached thereto are the resolutions duly adopted by the board of directors of Constellation Beers on or prior to the date hereof authorizing the execution, delivery and performance of this Agreement and each of the other Transaction Documents to which it is a party, and that such resolutions have not been modified, rescinded or amended and are in full force and effect as of the Closing Date and (ii) as to the incumbency of Constellation Beers' officers executing this Agreement or a Transaction Document and their signatures;

(c) A certificate, in form and substance reasonably acceptable to ABI, executed by an authorized officer of CBBH, dated the Closing Date, certifying (i) that attached thereto are the resolutions duly adopted by the board of directors of CBBH on or prior to the date hereof authorizing the execution, delivery and performance of this Agreement and each of the other Transaction Documents to which it is a party, and that such resolutions have not been modified, rescinded or amended and are in full force and effect as of the Closing Date and (ii) as to the incumbency of CBBH's officers executing this Agreement or a Transaction Document and their signatures;

(d) A certificate, in form and substance reasonably acceptable to ABI, executed by an authorized officer of CBI, dated the Closing Date, certifying (i) that attached thereto are the resolutions duly adopted by the board of directors of CBI on or prior to the date hereof authorizing the execution, delivery and performance of this Agreement and each of the other Transaction Documents to which it is a party, and that such resolutions have not been modified, rescinded or amended and are in full force and effect as of the Closing Date and (ii) as to the incumbency of the CBI officers executing this Agreement or a Transaction Document and their signatures; and

(e) The Interim Supply Agreement duly executed by Importer.

## ARTICLE 4
## REPRESENTATIONS AND WARRANTIES OF ABI

ABI hereby represents and warrants to the Buyer Parties, unless otherwise specified, as of the date hereof and as of the Closing as follows:

**4.1 Organization and Qualification of Seller.** Seller is a corporation duly organized, validly existing and in good standing under the Laws of Delaware with all corporate power and authority to own or lease all of its properties and assets and to conduct its business as currently conducted, and is duly qualified and in good standing as a foreign entity authorized to do business in each of the jurisdictions where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except for such failures to be so qualified or in good standing as would not materially and adversely affect its ability to execute or deliver at the Closing, or perform its obligations at the Closing under, the Membership Interest Assignments.

**4.2 Authority of Seller.** As of the Closing Date, Seller shall have all requisite power and authority to execute and deliver the Membership Interest Assignments, to perform its obligations thereunder and to consummate the transactions contemplated thereby. As of the Closing Date, the execution and delivery of the Membership Interest Assignments, the performance of its obligations thereunder and the consummation of the transactions contemplated thereby shall have been duly and validly authorized by all necessary corporate action and no other proceedings on the part of Seller shall be necessary to authorize the Membership Interest Assignments, the performance of such obligations or the consummation of such transactions.

**4.3 Organization and Qualification of ABI.** ABI is a corporation duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization with all corporate power and authority to own or lease all of its properties and assets and to conduct its business as currently conducted, and is duly qualified and in good standing as a foreign entity authorized to do business in each of the jurisdictions where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except for such failures to be so qualified or in good standing as would not materially and adversely affect its ability to execute or deliver, or perform its obligations under this Agreement and the other Transaction Documents to which it is or will be a party.

**4.4 Authority of ABI.** ABI has all requisite power and authority to execute and deliver this Agreement and each of the other Transaction Documents to which it is or will be a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by ABI of this Agreement and each of the other Transaction Documents to which it is or will be a party, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action and no other proceedings on the part of ABI are necessary to authorize this Agreement and each of the other Transaction Documents to which ABI is a party, the performance of such obligations or the consummation of such transactions.

**4.5 Title.** Seller is the record and beneficial owner of the Importer Interest and has good and marketable legal title to the Importer Interest, free and clear of all Liens (other than Permitted Liens). Except for the transactions contemplated under this Agreement or as provided under the LLC Agreement, no Person has any right (whether by Law, preemptive or contractual) to purchase or acquire the Importer Interest or any portion thereof.

**4.6 No Violation or Conflict; Consents.** Neither the execution and delivery by Seller, Supplier, Marcas Modelo or ABI of this Agreement or any of the other Transaction Documents to which Seller, Supplier, Marcas Modelo or ABI is or will be a party as of the Closing, as applicable, nor the performance by Seller, Supplier, Marcas Modelo or ABI of their respective obligations hereunder and thereunder, as applicable, nor the consummation of the transactions contemplated hereby and thereby will, directly or indirectly (with or without notice or lapse of time, or both):

(a) violate, contravene, conflict with or breach any term or provision of the Organizational Documents of Seller, Supplier, Marcas Modelo or ABI;

(b) except as may be provided in the Organizational Documents of Importer, violate, contravene, conflict with, breach, constitute a default under, require any notice under, or give any Person the right to cancel, modify or terminate, or accelerate the maturity or performance of, any Contract to which Seller, Supplier, Marcas Modelo or ABI is a party or by which any of their respective assets is bound; or

(c) violate, contravene or conflict with any of the terms, conditions or requirements of, or, except as may be required by the Alcoholic Beverage Authorities, require any notice to or filing with any Governmental Authority under, any Permit, Law or Order applicable to Seller, Supplier, Marcas Modelo or ABI or any of their respective assets;

other than, in the case of clauses (b) and (c), such violations, contraventions, conflicts, breaches, defaults, notices, cancellations, modifications, terminations, accelerations or rights that would not materially and adversely affect ABI's ability to execute and deliver, or perform its obligations under, this Agreement and the other Transaction Documents to which it is a party or will be a party or give rise to a Lien on the Importer Interest (other than Permitted Liens).

**4.7 Litigation.** As of June 28, 2012, there was no Order or Proceeding pending against the Seller, Supplier, Marcas Modelo or ABI, by any Governmental Authority or other Person that was reasonably likely to prevent, enjoin or materially delay the transactions contemplated by this Agreement.

**4.8 Disclaimer.** Except for the representations and warranties contained in this Agreement, none of ABI, the Seller nor any of their respective Affiliates, nor any of their respective stockholders, trustees, directors, officers, employees, Affiliates, advisors, members, fiduciaries, agents or representatives, nor any other Person has made or is making any other representation or warranty of any kind or nature whatsoever, oral or written, express or implied, with respect to ABI, the Seller, their respective Affiliates, this Agreement, any Transaction Document or the transactions contemplated hereby or thereby. Except for the representations

and warranties contained in this Agreement, ABI disclaims, on behalf of itself and its Affiliates, all Liability and responsibility for any other representation, warranty, opinion, projection, forecast, advice, statement or information made, communicated or furnished.

**4.9 Brokers.** No investment banker, broker, agent, finder, advisor, firm or other Person acting on behalf of Seller, ABI or any of their respective Affiliates is, or will be, entitled to any commission or broker's or finder's fees from the Buyers, CBI or their respective Affiliates.

## ARTICLE 5
## REPRESENTATIONS AND WARRANTIES OF BUYERS AND CBI

The Buyers and CBI, jointly and severally, hereby represent and warrant to ABI, unless otherwise specified, as of the date hereof and as of the Closing Date as follows:

**5.1 Organization and Qualification of Constellation Beers.** Constellation Beers is a corporation duly organized, validly existing and in good standing under the Laws of Maryland with all corporate power and authority to own or lease all of its properties and assets and to conduct its business as currently conducted, and is duly qualified and in good standing as a foreign entity authorized to do business in each of the jurisdictions where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except for such failures to be so qualified or in good standing as would not materially and adversely affect its ability to execute or deliver, or perform its obligations under this Agreement and the other Transaction Documents to which it is or will be a party.

**5.2 Authority of Constellation Beers.** Constellation Beers has all requisite corporate power and authority to execute and deliver this Agreement and each of the other Transaction Documents to which it is or will be a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Constellation Beers of this Agreement and each of the other Transaction Documents to which it is or will be a party, the performance by Constellation Beers of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by the board of directors of Constellation Beers and no other corporate proceedings on the part of Constellation Beers, and no vote, consent or approval of its stockholders, are necessary to authorize this Agreement and each of the Transaction Documents to which Constellation Beers is a party, the performance of such obligations or the consummation of such transactions.

**5.3 Organization and Qualification of CBBH.** CBBH is a corporation duly organized, validly existing and in good standing under the Laws of Delaware with all corporate power and authority to own or lease all of its properties and assets and to conduct its business as currently conducted, and is duly qualified and in good standing as a foreign entity authorized to do business in each of the jurisdictions where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except for such failures to be so qualified or in good standing as would not materially and adversely affect its ability to execute or deliver, or perform its obligations under this Agreement and the other Transaction Documents to which it is or will be a party.

**5.4 Authority of CBBH.** CBBH has all requisite corporate power and authority to execute and deliver this Agreement and each of the other Transaction Documents to which it is or will be a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by CBBH of this Agreement and each of the other Transaction Documents to which it is or will be a party, the performance by CBBH of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by the board of directors of CBBH and no other corporate proceedings on the part of CBBH, and no vote, consent or approval of its stockholders, are necessary to authorize this Agreement and each of the Transaction Documents to which CBBH is a party, the performance of such obligations or the consummation of such transactions.

**5.5 Organization and Qualification of CBI.** CBI is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware with all corporate power and authority to own or lease all of its properties and assets and to conduct its business as currently conducted, and is duly qualified and in good standing as a foreign entity authorized to do business in each of the jurisdictions where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except for such failures to be so qualified or in good standing as would not materially and adversely affect its ability to execute or deliver, or perform its obligations under this Agreement and the other Transaction Documents to which it is or will be a party.

**5.6 Authority of CBI.** CBI has all requisite corporate power and authority to execute and deliver this Agreement and each of the other Transaction Documents to which it is or will be a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by CBI of this Agreement and each of the other Transaction Documents to which it is or will be a party, the performance by CBI of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by the board of directors of CBI and no other corporate proceedings on the part of CBI, and no vote, consent or approval of its stockholders, are necessary to authorize this Agreement and each of the Transaction Documents to which CBI is a party, the performance of such obligations or the consummation of such transactions.

**5.7 No Violation or Conflict; Consents.** Neither the execution and delivery by the Buyers or CBI of this Agreement or any of the other Transaction Documents to which the Buyers or CBI is a party, as applicable, nor the performance by the Buyers or CBI of its obligations hereunder and thereunder, as applicable, nor the consummation of the transactions contemplated hereby and thereby will, directly or indirectly (with or without notice or lapse of time or both):

(a) violate, contravene, conflict with or breach any term or provision of the Organizational Documents of the Buyers or CBI;

(b) violate, contravene, conflict with, breach, constitute a default under, require any notice under, or give any Person the right to cancel, modify or terminate, or accelerate the maturity or performance of, any Contract to which the Buyers or CBI is a party or by which any of its assets is bound; or

(c) violate, contravene or conflict with any of the terms, conditions or requirements of, or require any notice to or filing with any Governmental Authority or other Person under, any Permit, Law or Order applicable to the Buyers or CBI or any of their respective assets;

other than, in the case of clauses (b) and (c), such violations, contraventions, conflicts, breaches or rights that would not materially and adversely affect the Buyers' or CBI's ability to execute and deliver or perform its obligations under this Agreement and the other Transaction Documents to which it is a party or will be a party.

**5.8 Litigation.** As of June 28, 2012, there was no Order or Proceeding pending against the Buyers or CBI, by any Governmental Authority or other Person that was reasonably likely to prevent, enjoin or materially delay the transactions contemplated by this Agreement.

**5.9 Investment Intent; Restricted Securities; LLC Interest.** Each of the Buyer Parties is acquiring the Importer Interest solely for their own account, for investment purposes only, and not with a view to, or with any present intention of, reselling or otherwise distributing the Importer Interest or dividing its respective participation herein with others. Each of the Buyer Parties understands and acknowledges that: (a) the Importer Interest has not been registered or qualified under the Securities Act, or under any securities laws of any state of the United States or other jurisdiction, in reliance upon specific exemptions thereunder for transactions not involving any public offering; (b) the Importer Interest constitutes "restricted securities" as defined in Rule 144 under the Securities Act; (c) the Importer Interest is not traded or tradable on any securities exchange or over the counter; and (d) the Importer Interest may not be sold, transferred or otherwise disposed of unless a registration statement under the Securities Act with respect to the Importer Interest and qualification in accordance with any applicable state securities laws becomes effective or unless such registration and qualification is inapplicable, or an exemption therefrom is available. Each of the Buyer Parties will not transfer or otherwise dispose of any of the Importer Interest acquired hereunder or any interest therein in any manner that may cause a violation of the Securities Act or any applicable state securities laws. Each of the Buyer Parties is an "accredited investor" as defined in Rule 501(a) of the Securities Act. Constellation Beers is the record and beneficial owner of 50% of the outstanding LLC Interests.

**5.10 Financial Ability.** Each of the Buyer Parties acknowledges that its obligation to consummate the transactions contemplated by this Agreement and the Brewery Transaction is not and will not be subject to the receipt by any Buyer Party of any financing or the consummation of any other transaction other than the occurrence of the GM Transaction Closing and, in the case of the Brewery Transaction, the consummation of the transactions contemplated by this Agreement. The Buyer Parties have delivered to ABI a true, complete and correct copy of the executed definitive Second Amended and Restated Interim Loan Agreement, dated as of February 13, 2013, among Bank of America, N.A. ("**Bank of America**"), JPMorgan Chase Bank N.A. ("**JPMorgan**") and CBI (collectively, the "**Financing Commitment**"), pursuant to which, upon the terms and subject to the conditions set forth therein, the lenders party thereto have committed to lend the amounts set forth therein (the "**Financing**") for the purpose of funding the transactions contemplated by this Agreement and the Brewery Transaction. The Buyer Parties have delivered to ABI true, complete and correct copies of the fee letter and engagement letters relating to the Financing Commitment (redacted only as to the matters indicated therein), the

Financing Commitment has not been amended or modified prior to the date of this Agreement, and, as of the date hereof, the respective commitments contained in the Financing Commitment have not been withdrawn, terminated or rescinded in any respect. There are no agreements, side letters or arrangements to which CBI or any of its Affiliates is a party relating to the Financing Commitment that could affect the availability of the Financing. The Financing Commitment constitutes the legally valid and binding obligation of CBI and, to the Knowledge of CBI, the other parties thereto, enforceable in accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar Laws of general applicability relating to or affecting creditors' rights, and by general equitable principles). The Financing Commitment is in full force and effect and has not been withdrawn, rescinded or terminated or otherwise amended or modified in any respect, and no such amendment or modification is contemplated. Neither CBI nor any of its Affiliates is in breach of any of the terms or conditions set forth in the Financing Commitment, and assuming the accuracy of the representations and warranties set forth in **Article 4** and performance by ABI of its obligations under this Agreement and the Brewery SPA, as of the date hereof, no event has occurred which, with or without notice, lapse of time or both, would reasonably be expected to constitute a breach, default or failure to satisfy any condition precedent set forth therein. As of the date hereof, no lender has notified CBI of its intention to terminate the Financing Commitment or not to provide the Financing. There are no conditions precedent or other contingencies related to the funding of the full amount of the Financing, other than as expressly set forth in the Financing Commitment. The aggregate proceeds available to be disbursed pursuant to the Financing Commitment, together with available cash on hand and availability under CBI's existing credit facility, will be sufficient for the Buyer Parties to pay the Purchase Price hereunder and under the Brewery SPA and all related fees and expenses on the terms contemplated hereby and thereby in accordance with the terms of this Agreement and the Brewery SPA. As of the date hereof, CBI has paid in full any and all commitment or other fees required by the Financing Commitment that are due as of the date hereof. As of the date hereof, the Buyer Parties have no reason to believe that CBI and any of its applicable Affiliates will be unable to satisfy on a timely basis any conditions to the funding of the full amount of the Financing, or that the Financing will not be available to CBI on the Closing Date.

**5.11 Brokers.** No investment banker, broker, agent, finder, advisor, firm or other Person acting on behalf of the Buyers, CBI or any of their respective Affiliates is, or will be, entitled to any commission or broker's or finder's fees from ABI, Seller or any of their respective Affiliates.

## ARTICLE 6
## ABI GUARANTEE

**6.1 Guarantee.** (a) To induce CBI to enter into this Agreement, ABI, intending to be legally bound, hereby absolutely, unconditionally and irrevocably guarantees to CBI, the Buyers, the Importer and their respective successors or permitted assigns, as a primary obligor and not merely as a surety, (i) the due and punctual performance and observance of, and compliance with, all covenants, agreements, obligations, Liabilities, representations and warranties (A) of Seller Parties hereunder and under or pursuant to the Membership Interest Assignments from and after the date hereof until released pursuant to **Section 6.2**, (B) of Supplier or any successors or permitted assigns under or pursuant to the Interim Supply Agreement from and after the Closing

until released pursuant to **Section 6.2**, and (C) of Marcas Modelo or any successors or permitted assigns (including any matter where Marcas Modelo agrees to cause any member of the Modelo Group to take, or not to take, any action (a "**Modelo Group Obligor**")) under or pursuant to the Sub-license Agreement from and after the Closing, and (ii) the payment of any Damages incurred by CBI, the Buyers or the Importer or their respective successors and assigns as a consequence of ABI breaching its obligations hereunder pursuant to the terms hereof, Seller not executing the Membership Interest Assignments at Closing, Supplier or any successors or permitted assigns not executing the Interim Supply Agreement at Closing or breaching its obligations thereunder pursuant to the terms thereof or Marcas Modelo or any successors or permitted assigns not executing the Sub-license Agreement at Closing or breaching its obligations thereunder pursuant to the terms thereof (all such obligations and any such Damages being collectively referred to as the "**ABI Guaranteed Obligations**"). ABI further agrees that the ABI Guaranteed Obligations may be amended, modified, extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee notwithstanding any amendment, modification, extension or renewal of any of the ABI Guaranteed Obligations, whether or not any of the foregoing would in any way increase ABI's obligations hereunder. ABI irrevocably and unconditionally waives, and agrees that its Liability under its guarantee shall be unaffected by, any act, omission, delay or other circumstance or any election of remedies by CBI, the Buyers, the Importer or their respective successors or permitted assigns that might otherwise constitute a legal or equitable discharge or defense of a guarantor or surety. ABI further agrees that its guarantee is a continuing guarantee of payment and performance of the ABI Guaranteed Obligations when due (whether or not any bankruptcy, insolvency or similar Proceeding under applicable Law shall have stayed the accrual or collection of any of the ABI Guaranteed Obligations or operated as a discharge thereof) and not of collection, and waives any right to require that resort be had by CBI, the Buyers, the Importer or their respective successors or permitted assigns to ABI, Seller, Supplier, or Marcas Modelo or any Modelo Group Obligor, as applicable, for the collection and performance of the ABI Guaranteed Obligations.

(b) The exercise or failure to exercise any right or remedy under this Agreement or the Interim Supply Agreement or Sub-license Agreement shall not affect, impair or discharge, in whole or in part, the Liability of ABI under this **Article 6**. Subject to **Section 6.2**, the obligations of ABI shall not be released, limited or impaired or subject to any defense or setoff, other than a defense that payment or performance has been made by ABI, Seller, Supplier, Marcas Modelo or any Modelo Group Obligor, as applicable, and except for defenses based on a final judicial determination by a court of competent jurisdiction that ABI, Seller, Supplier, Marcas Modelo or any Modelo Group Obligor has a defense to performance based on CBI's Breach of this Agreement, the Importer's Breach of the Interim Supply Agreement or Constellation Beers' Breach of the Sub-license Agreement, as applicable. ABI's obligations under this **Article 6** shall not be affected by any claim by ABI, Seller, Supplier, Marcas Modelo or any Modelo Group Obligor that this Agreement, the Membership Interest Assignment, the Interim Supply Agreement, or the Sub-license Agreement, as applicable, is invalid or unenforceable and any payments required to be made by it hereunder shall be made free and clear of any deduction, set-off, defense, claim or counterclaim of any kind. The rights and obligations under this **Article 6** shall survive any assignment (i) by ABI made in accordance with **Section 14.2**, (ii) by Supplier made in accordance with the terms of the Interim Supply Agreement or (iii) by Marcas Modelo made in accordance with the terms of the Sub-license Agreement.

**6.2 Release of Guarantee.** ABI agrees that its obligations under this **Article 6** shall remain in full force and effect until (i) in the case of **Section 6.1(a)(i)(A)** and **Section 6.1(a)(ii)** (to the extent relating to the obligations of the Seller Parties), (A) with respect to the obligations that do not by their terms survive the Closing, the Closing, and (B) with respect to the obligations that by their terms survive the Closing, for so long as such obligations survive hereunder in accordance with their terms, and (ii) in the case of **Section 6.1(a)(i)(B)** and **Section 6.1(a)(ii)** (other than to the extent relating to the obligations of the Seller Parties hereunder), the termination of the Interim Supply Agreement pursuant to the terms thereof; **provided, that** ABI shall be released from its obligations under this **Article 6** concurrently with the termination of this Agreement in accordance with **Article 11**; **provided, however**, that ABI shall not be released from its obligations under this **Article 6** so long as any bona fide claim of CBI, the Buyers, the Importer or their respective successors or permitted assigns against ABI, Seller, Supplier, Marcas Modelo or their respective successors or permitted assigns, as applicable, which arises out of, or relates to, directly or indirectly, this Agreement, the Membership Interest Assignments, the Interim Supply Agreement, the Sub-license Agreement or any other document related herewith or therewith, as applicable, (a) is not settled to the reasonable satisfaction of CBI, the Buyers, the Importer or their respective successors or permitted assigns, as applicable, or discharged in full or (b) has not been finally resolved (as such term is defined in **Section 12.1**). In addition, if at any time, any payment, or part thereof, by ABI, Seller, Marcas Modelo, Supplier or their respective successors or permitted assigns is rescinded or must otherwise be returned upon the bankruptcy, insolvency, dissolution, liquidation or reorganization of ABI, Seller, Marcas Modelo, or Supplier or otherwise, the obligations of ABI under this **Article 6** shall continue to be effective or shall be automatically reinstated, all as though such payment had not been made.

## ARTICLE 7
## CBI GUARANTEE

**7.1 Guarantee.** (a) To induce ABI to enter into this Agreement, CBI, intending to be legally bound, hereby absolutely, unconditionally and irrevocably guarantees to ABI, Seller, Supplier, Marcas Modelo and their respective successors or permitted assigns, as a primary obligor and not merely as a surety, (i) the due and punctual performance and observance of, and compliance with, all covenants, agreements, obligations, Liabilities, representations and warranties (A) of the Buyers or any successors or permitted assigns hereunder from and after the date hereof until released pursuant to **Section 7.2**, (B) of Importer or any successors or permitted assigns under or pursuant to the Interim Supply Agreement from and after the Closing until released pursuant to **Section 7.2**, and (C) of Constellation Beers or any successors or permitted assigns under or pursuant to the Sub-license Agreement from and after the Closing, and (ii) the payment of any Damages incurred by ABI, Seller, Supplier, or Marcas Modelo or their respective successors or permitted assigns as a consequence of a Buyer or any successors or permitted assigns breaching its obligations hereunder pursuant to the terms hereof, Importer or any successors or permitted assigns not executing the Interim Supply Agreement or breaching its obligations thereunder pursuant to the terms thereof, or Constellation Beers or any successors or permitted assigns not executing the Sub-license Agreement at Closing or breaching its

obligations thereunder pursuant to the terms thereof (all such obligations and any such Damages being collectively referred to as the "**CBI Guaranteed Obligations**"). CBI further agrees that the CBI Guaranteed Obligations may be amended, modified, extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee notwithstanding any amendment, modification, extension or renewal of any of the CBI Guaranteed Obligations, whether or not any of the foregoing would in any way increase CBI's obligations hereunder. CBI irrevocably and unconditionally waives, and agrees that its Liability under its guarantee shall be unaffected by, any act, omission, delay or other circumstance or any election of remedies by ABI, Seller, Supplier, or Marcas Modelo or their respective successors or permitted assigns that might otherwise constitute a legal or equitable discharge or defense of a guarantor or surety. CBI further agrees that its guarantee is a continuing guarantee of payment and performance of the CBI Guaranteed Obligations when due (whether or not any bankruptcy, insolvency or similar Proceeding under applicable Law shall have stayed the accrual or collection of any of the CBI Guaranteed Obligations or operated as a discharge thereof) and not of collection, and waives any right to require that resort be had by ABI, Seller, Supplier, or Marcas Modelo or their respective successors or permitted assigns to CBI, Buyers or Importer for the collection and performance of the CBI Guaranteed Obligations.

(b) The exercise or failure to exercise any right or remedy under this Agreement or the Interim Supply Agreement or Sub-license Agreement shall not affect, impair or discharge, in whole or in part, the Liability of CBI under this **Article 7**. Subject to **Section 7.2**, the obligations of CBI shall not be released, limited or impaired or subject to any defense or setoff, other than a defense that payment or performance has been made by CBI, Buyers or Importer, as applicable, and except for defenses based on a final judicial determination by a court of competent jurisdiction that a Buyer has a defense to performance based on ABI's Breach of this Agreement, Supplier's Breach of the Interim Supply Agreement, or Marcas Modelo's Breach of the Sub-license Agreement, as applicable. CBI's obligations under this **Article 7** shall not be affected by any claim by CBI, Buyers or Importer that this Agreement, the Interim Supply Agreement, or Sub-license Agreement, as applicable, is invalid or unenforceable and any payments required to be made by it hereunder shall be made free and clear of any deduction, set-off, defense, claim or counterclaim of any kind. The rights and obligations of CBI under this **Article 7** shall survive any assignment (i) by any Buyer Party made in accordance with **Section 14.2**, (ii) by Importer made in accordance with the terms of the Interim Supply Agreement or (iii) by Constellation Beers made in accordance with the terms of the Sub-license Agreement.

**7.2 Release of Guarantee.** CBI agrees that its obligations under this **Article 7** shall remain in full force and effect until (i) in the case of **Section 7.1(a)(i)(A)** and **Section 7.1(a)(ii)**, (A) with respect to the obligations that do not by their terms survive the Closing, the Closing and (B) with respect to the obligations that by their terms survive the Closing, for so long as such obligations survive hereunder in accordance with their terms, and (ii) in the case of **Section 7.1(a)(i)(B)**, the termination of the Interim Supply Agreement; **provided, that** CBI shall be released from its obligations under this **Article 7** concurrently with the termination of this Agreement in accordance with **Article 11**; **provided, however**, that CBI shall not be released from its obligations under this **Article 7** so long as any bona fide claim of ABI, the Seller, Supplier, Marcas Modelo or their respective successors or permitted assigns against a Buyer, CBI, Importer or their respective successors or permitted assigns, as applicable, which arises out

of, or relates to, directly or indirectly, this Agreement, the Interim Supply Agreement, the Sub-license Agreement or any other document related herewith or therewith, as applicable, (a) is not settled to the reasonable satisfaction of ABI, Seller, Supplier, or Marcas Modelo or their respective successors or permitted assigns, as applicable, or discharged in full or (b) has not been finally resolved (as such term is defined in **Section 12.1**). In addition, if at any time, any payment, or part thereof, by CBI, Buyers, Importer or their respective successors or permitted assigns is rescinded or must otherwise be returned upon the bankruptcy, insolvency, dissolution, liquidation or reorganization of CBI, Buyers, Importer or otherwise, the obligations of CBI under this **Article 7** shall continue to be effective or shall be automatically reinstated, all as though such payment had not been made.

## ARTICLE 8
## COVENANTS OF SELLER PARTIES

**8.1 Exclusive Dealing; Acquisition Proposals.** (a) Subject to **Section 8.1(b)**, after the date hereof until the earlier of (i) the Closing and (ii) termination of this Agreement in accordance with its terms, ABI, its Subsidiaries and their respective directors and officers shall not (and they shall use reasonable best efforts to instruct and cause any of their respective employees, consultants, advisors or representatives not to), directly or indirectly, except as contemplated by this Agreement or the GM Transaction Agreement, solicit, encourage or initiate any negotiations or discussions with respect to any offer or proposal to acquire the Importer Interest. ABI will cause Seller not to, except as contemplated by this Agreement or the GM Transaction Agreement, transfer the Importer Interest to any other Person, or solicit, encourage or initiate any negotiations or discussions with respect to any offer or proposal therefor.

(b) Notwithstanding anything to the contrary in **Section 8.1(a)**, the restrictions set forth in **Section 8.1(a)** shall not apply in the event that the lenders party to the Financing Commitment notify any Buyer Party of their intention not to provide, or otherwise refuse or fail to provide, the Financing at the Closing, or if any notice is delivered pursuant to **Section 9.7(d)** hereof.

**8.2 Non-Solicitation of Employees.** For the period commencing on the Closing Date and ending on the second anniversary thereof, ABI shall not and shall not permit its Subsidiaries to, directly or indirectly, hire, solicit or encourage to leave the employment of the Importer, any employee of the Importer with whom Seller or its representatives directly communicated in connection with the negotiation and performance of this Agreement or the Interim Supply Agreement; provided, however, that the foregoing provision shall not apply to employees terminated by Importer or general advertisements or solicitations that are not specifically targeted at such persons.

## ARTICLE 9
## OTHER COVENANTS OF THE PARTIES

**9.1 Antitrust Approval.** The Buyer Parties shall use their reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and assist and cooperate with ABI and Grupo Modelo in doing, all things necessary, proper or advisable (subject to applicable Law) to consummate and make effective the transactions contemplated by this

Agreement and the GM Transaction. In furtherance and not in limitation of the foregoing, the Buyer Parties shall use their reasonable best efforts to (i) comply promptly with any request of any Governmental Authority for additional information, documents or other materials, including, without limitation, participating in meetings with officials of such Governmental Authority during the course of its review of the GM Transaction and/or the transactions contemplated hereby; (ii) support ABI and Grupo Modelo in their response to requests for information from any Governmental Authority in connection with its investigation of the GM Transaction and/or the transactions contemplated hereby; and (iii) otherwise assist in facilitating antitrust approval of the transactions contemplated by this Agreement and the GM Transaction. To the extent permitted by the relevant Governmental Authority, the Buyer Parties and the Seller Parties shall (a) allow the Buyer Parties (including their outside counsel) and the Seller Parties (including their outside counsel) to attend and participate in all meetings, discussions and other communications with all Governmental Authorities in connection with the review of the transactions contemplated by this Agreement, (b) promptly and fully inform CBI, ABI and Grupo Modelo of any written or material oral communication received from or given to any Governmental Authority relating to the GM Transaction or the transactions contemplated herein, and provide them with copies of any such written communication, (c) permit CBI, ABI and Grupo Modelo to review in advance, to the extent practicable with reasonable time and opportunity to comment and consider in good faith the views of the others with respect thereto, any proposed submission, correspondence or other communication by the Buyer Party to any Governmental Authority relating to the GM Transaction or the transactions contemplated herein, and (d) provide reasonable prior notice to and, to the extent practicable, consult with CBI, ABI and Grupo Modelo in advance of any meeting, material conference or material discussion with any Governmental Authority relating to the GM Transaction or the transactions contemplated herein (and allow the Seller Parties to attend and participate in such meeting, conference or discussion). If reasonably requested by ABI or Grupo Modelo, and if permitted to do so by the relevant Governmental Authority, the Buyer Parties and the Seller Parties shall, upon reasonable notice, cause an informed representative to attend any one or more meetings, either by phone or in person, before a Governmental Authority in support of approval of the transactions contemplated by this Agreement and the GM Transaction. Without limiting in any respect the parties' obligations contained in this **Section 9.1**, in the event that the parties do not agree with respect to strategy or tactics in connection with a Governmental Authority's review of the GM Transaction and/or the transactions contemplated hereby, ABI's decision will control. Each of the parties agrees to use its reasonable best efforts to propose, negotiate, commit to and effect any consent decree, settlement, remedy, undertaking, commitment, action or agreement, including any amendment or other revision to one or more of the Transaction Documents (each, a "**Remedial Action**"), as may be required in connection with a Governmental Authority's review of the GM Transaction and/or the transactions contemplated hereby; **provided that** any such Remedial Action (1) is conditioned on the consummation of the transactions contemplated by this Agreement and (2) does not, individually or in the aggregate, have a material adverse effect on such party as measured against the business of the Importer or the Buyer Parties (it being agreed and understood that, the parties shall cooperate in good faith in connection with any Remedial Action to attempt to preserve the economic benefits reasonably expected to be achieved by each of the parties hereto, but shall in any event effect any such Remedial Action required pursuant to this sentence notwithstanding anything in this parenthetical). Notwithstanding anything to the contrary contained in this **Section 9.1** or in this Agreement

other than **Section 11.2(a)** and **Section 12.5(b)**, a party shall not have any obligation under this Agreement to take any of the following actions or commit to take any of the following actions, or to cause Importer to take any of the following actions, if such party, in good faith, reasonably expects such action to have more than a *de minimis* adverse effect on the business or interests of such party or Importer: (x) to sell, dispose of or transfer or cause any of its Subsidiaries to sell, dispose of or transfer any assets; (y) to discontinue or cause any of its Subsidiaries to discontinue offering any product or service; or (z) to hold separate or cause any of its Subsidiaries to hold separate any assets or operations (either before or after the Closing Date).

**9.2 Other Regulatory Matters.** Except as otherwise provided in **Section 9.1**, the parties will proceed diligently and in good faith and will use their reasonable best efforts to do, or cause to be done, all things necessary, proper or advisable to, as promptly as practicable, (a) obtain all Permits from, make all filings with and give all notices to Governmental Authorities, including, without limitation, Mexican antitrust authorities, the Alcoholic Beverage Authorities or any other Person required to consummate the transactions contemplated by this Agreement, and (b) provide such other information and communications to such Governmental Authorities or other Person as the other party or such Governmental Authorities or other Person may reasonably request.

**9.3 Notification of Certain Matters.** Subject to compliance with applicable Law or as required by any Governmental Authority, the Buyer Parties and ABI will notify the other promptly in writing of, and contemporaneously will provide the other with true and complete copies of any and all material information or documents relating to, and will use reasonable best efforts to cure before the Closing, any event, transaction or circumstance occurring after the date of this Agreement that causes or is reasonably expected to cause a failure of any condition to the other party's obligations to consummate the transactions contemplated hereby. No notice given pursuant to this **Section 9.3** shall have any effect on the representations, warranties, covenants or agreements contained in this Agreement for purposes of determining satisfaction of any condition contained herein or the rights of the parties hereunder.

**9.4 Fulfillment of Conditions.** Subject to the terms and conditions of this Agreement, the Buyer Parties and ABI will cooperate with each other and use their respective reasonable best efforts to take or cause to be taken all actions, and do or cause to be done all things reasonably necessary or desirable on its part, and proceed diligently and in good faith to satisfy each condition to the other party's obligations contained in this Agreement in order to consummate and make effective the transactions contemplated by this Agreement as soon as practicable, and neither Seller Parties nor Buyer Parties will take any action, or fail to take any action required to be taken by it hereunder, that could be reasonably expected to result in the non-fulfillment of any such condition. In furtherance and not in limitation of the foregoing, the Buyer Parties and the Seller Parties shall use their reasonable best efforts to (a) comply promptly with any request of any Governmental Authority for additional information, documents or other materials, including, without limitation, participating in meetings with officials of such Governmental Authority during the course of its review of the transactions contemplated hereby and (b) support the other parties hereto in their response to requests for information from any Governmental Authority in connection with its investigation of the transactions contemplated hereby. Notwithstanding anything to the contrary in this Agreement, the parties hereby acknowledge and agree that none of the Seller Parties has any obligation to the Buyer Parties

under this Agreement or otherwise to consummate, or seek to receive any consent required to consummate, the transactions contemplated by the GM Transaction Agreement and the Buyer Parties shall not have any rights under, and are not intended third party beneficiaries of, the GM Transaction Agreement.

**9.5 Interim Supply Agreement.**

(a) At Closing, ABI shall cause Supplier to execute the Interim Supply Agreement, and ABI shall deliver an executed copy of the Interim Supply Agreement to CBI in accordance with **Section 3.2**.

(b) At Closing, CBI shall cause the Importer to execute the Interim Supply Agreement, and the Buyer Parties shall deliver an executed copy of the Interim Supply Agreement to ABI in accordance with **Section 3.3**.

**9.6 Conduct of Business of the Importer.**

(a) During the period from the date of this Agreement to the Closing, the parties shall, and shall cause the Importer to, (i) conduct the Importer's business and operations in the ordinary course of business, consistent with past practice, and in accordance with the LLC Agreement, including with respect to making distributions of Available Cash (as such term was defined in the LLC Agreement as of June 28, 2012) in accordance with the terms thereof; (ii) use their commercially reasonable efforts to preserve intact the business organization and operations of the Importer and keep available the services of the Importer's current directors, managers, officers, employees, consultants and agents; and (iii) use their commercially reasonable efforts to preserve the goodwill of the Importer and maintain the Importer's relationships with Governmental Authorities and those Persons having business relationships with the Importer.

(b) Without limiting the generality of, and in furtherance of, **Section 9.6(a)**, from the date of this Agreement to the Closing, the parties shall not cause or permit the Importer to:

(i) make any material change in any method of accounting, keeping of books of account or accounting practices;

(ii) prepay or accelerate payment of any expenses or the incurrence of capital expenditures or increase the amount of reserves, in each case except in the ordinary course of business consistent with past practices;

(iii) increase working capital except for increases in accordance with the Business Plan (as defined in the LLC Agreement); or

(iv) delay collection of accounts receivable.

**9.7 Financing Support.**

(a) Each of the Buyer Parties shall use its reasonable best efforts to arrange the Financing on the terms and conditions described in the Financing Commitment as promptly

as reasonably practicable, including using its reasonable best efforts to (i) maintain in effect the Financing Commitment on the terms and conditions contained therein until the transactions contemplated by this Agreement and the Brewery Transaction are consummated; (ii) satisfy on a timely basis all conditions and covenants applicable to the Buyer Parties or any of their respective Affiliates in the Financing Commitment and otherwise comply with (or obtain the waiver thereof) its obligations under the Financing Commitment; (iii) consummate the Financing at the Closing to the extent necessary to permit the Buyer Parties to pay the Purchase Price hereunder and all amounts due under the Brewery SPA; (iv) enforce its rights under the Financing Commitment; and (v) cause the lenders and other Persons providing the Financing to fund at the Closing the Financing to the extent necessary to permit the Buyer Parties to pay the Purchase Price hereunder and all amounts due under the Brewery SPA. Each of the Buyer Parties shall use its reasonable best efforts to maintain availability under CBI's existing credit facilities, or to put replacement credit facilities in place, if CBI's existing credit facilities are terminated for whatever reason. Within one Business Day of receiving the GM Transaction Closing Notice, the Buyer Parties shall deliver the certificate referred to in Section 4.01(l) of the Financing Commitment to the Administrative Agent (as defined in the Financing Commitment) and the Arrangers (as defined in the Financing Commitment) in accordance with the Financing Commitment.

(b) If any portion of the Financing becomes unavailable on the terms and conditions contemplated in the Financing Commitment, the Buyer Parties shall use their reasonable best efforts to obtain any such portion from alternative sources as promptly as practicable following the occurrence of such event on terms that are not less favorable, taken as a whole, to the Buyer Parties. Notwithstanding the foregoing, nothing in this **Section 9.7** shall require that CBI or any of its Subsidiaries sell any stock or assets, other than any sale of the CBI Interest in connection with Seller Parties' Drag-Along Right under **Section 12.5**.

(c) Buyer Parties shall not permit any amendment or modification to be made to the Financing Commitment or waive any term thereof without obtaining ABI's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed unless ABI has determined such amendment or modification is, or is reasonably likely to, prevent, delay or impair the availability of the Financing or the consummation of the transactions contemplated by this Agreement) (provided that Buyer Parties may, without obtaining such prior written consent, replace or amend the Financing Commitment to add lenders, lead arrangers, bookrunners, syndication agents or similar entities that have not executed the Financing Commitments as of the date of this Agreement (but not to make any other changes), so long as (i) any such additional lender is a "Qualified Replacement Lender" (as defined in the Financing Commitment), and (ii) each of JPMorgan and Bank of America continue to be committed under the Financing Commitment to fund at least twenty percent (20%) of the aggregate principal amount contemplated by the Financing Commitment.

(d) Buyer Parties shall keep ABI informed on a reasonably current basis in reasonable detail of the status of the Financing. Without limiting the generality of the foregoing, Buyer Parties shall give ABI prompt notice (which shall in no event be more than two Business Days from occurrence): (i) if Buyer Parties become aware of any breach or default (or any event or circumstance that, with or without notice, lapse of time or both, would reasonably be expected to give rise to any breach or default) by any party to any Financing Commitment; (ii) of the

receipt by it or any notice or other written communication from any Person with respect to any (A) actual, potential or alleged breach, default, termination or repudiation by any party to the Financing Commitment or any provisions of the Financing Commitment or (B) dispute or disagreement between or among any parties to any Financing Commitment relating to the Financing; (iii) if for any reason Buyer Parties believe in good faith that (A) there is (or there is likely to be) a dispute or disagreement between or among any parties to any Financing Commitment relating to the Financing or (B) there is a material possibility that it will not be able to obtain all or any portion of the Financing on the terms, in the manner or from the sources contemplated by the Financing Commitment; and (iv) upon receiving the Financing. As soon as reasonably practicable, but in any event within two Business Days after the date ABI delivers to Buyer Parties a written request, Buyer Parties shall provide any information reasonably requested by ABI relating to any circumstance referred to in clause (i), (ii) or (iii) of the immediately preceding sentence.

**9.8 Guarantees.** With the exception of the guarantee provided by GModelo Corporation in favor of South Dearborn, LLC, the landlord of Importer's office space at One South Dearborn Street, Suite 1700, Chicago, Illinois 60603, in connection with that certain Office Lease, dated as of January 1, 2012, by and between South Dearborn, LLC and Importer (the "**Importer Office Lease**"), CBI shall cause any guarantees of Seller or any of its Affiliates with respect to payment or performance of Importer under any Contract to be terminated effective as of the Closing without any further Liability to the Seller Parties or any of their respective Affiliates, equity holders, officers, directors or representatives thereunder or under any replacement guarantee. In connection with the termination of such guarantees, at or prior to the Closing, CBI shall arrange for the issuance of replacement guarantees. Neither CBI nor the Importer shall be required to incur any costs or expenses in connection with the termination or replacement of such guarantees.

**9.9 Release.**

(a) Each of CBI, Constellation Beers, CBBH, and Importer, for and on behalf of itself and its Affiliates, shall execute at the Closing a release acquitting, releasing and discharging each of ABI, Seller and their respective officers, directors, equity holders and Affiliates from any and all Liabilities or obligations to CBI, Constellation Beers, CBBH or Importer or any of their Affiliates arising under or in connection with any of the Terminated Agreements or the LLC Agreement.

(b) Each of ABI and Seller, for and on behalf of itself and its Affiliates, shall execute at the Closing a release acquitting, releasing and discharging each of CBI, Constellation Beers, CBBH, Importer and their respective officers, directors, equity holders and Affiliates from any and all Liabilities or obligations to ABI and Seller or any of their Affiliates arising under or in connection with any of the Terminated Agreements or the LLC Agreement.

**9.10 Post-Closing Cooperation.** Subject to compliance with applicable Law, from and after the Closing Date, the Buyer Parties and the Seller Parties agree to (a) cooperate with each other, share information and supporting materials and documents relating to ownership of the Importer Interest prior to or after the Closing; **provided, however**, that access to any such information, supporting materials or documents shall be determined by taking into account,

among other considerations, the competitive positions of the parties; **provided, further**, that any such access shall (i) be under the supervision of such party's designated personnel or representatives and (ii) be in such a manner as not to unreasonably interfere with any of the businesses or operations of such party or their respective Affiliates; **provided, further**, that all requests for any such access made pursuant to this **Section 9.10** shall be directed to such party and its designated representatives; and (b) provide the other parties with such assistance as may reasonably be requested, at the requesting party's expense, in connection with the preparation of any Tax return, any income Tax audit or other administrative or judicial Proceeding relating to Importer or the ownership of the Importer Interest prior to or after the Closing, requests for information from Governmental Authorities relating to the transactions contemplated by this Agreement, and matters relating to unclaimed property; **provided, however**, that a party shall not be obligated to make any work papers available to the requesting party unless and until such requesting party has signed a customary confidentiality and hold harmless agreement relating to such access to work papers in form and substance reasonably acceptable to such party to whom such request is being made.

## ARTICLE 10
## CONDITIONS TO CLOSING

**10.1 Conditions to Obligations of ABI.** The obligations of ABI to close the transactions contemplated by this Agreement shall be subject to the satisfaction or waiver by ABI at or prior to the Closing of the following conditions:

(a) No preliminary, temporary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or Governmental Authority, nor any statute, rule, regulation or executive order promulgated or enacted by any Governmental Authority after the date hereof, shall be in effect that would make the consummation of the transactions contemplated hereby illegal or otherwise prevent the consummation of such transactions;

(b) The GM Transaction Closing shall have occurred; and

(c) A no objection letter from the Mexican Federal Competition Commission (*Comisión Federal de Competencia*) in connection with the Brewery Transaction shall have been issued, or the relevant statutory period (and any extension thereof) as set forth in Sections 21.III and 21.IV of the Federal Economic Competition Law (*Ley Federal de Competencia Económica*) for the parties to be entitled to consummate the Brewery Transaction shall have expired.

**10.2 Conditions to Obligations of Buyer Parties.** The obligations of the Buyer Parties to close the transaction contemplated hereby shall be subject to the satisfaction or waiver by the Buyer Parties at or prior to the Closing of the following conditions:

(a) No preliminary, temporary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or Governmental Authority, nor any statute, rule, regulation or executive order promulgated or enacted by any Governmental Authority after the date hereof, shall be in effect that would make the consummation of the transactions contemplated hereby illegal or otherwise prevent the consummation of such transactions;

(b) The GM Transaction Closing shall have occurred; and

(c) A no objection letter from the Mexican Federal Competition Commission (*Comisión Federal de Competencia*) in connection with the Brewery Transaction shall have been issued, or expiration of the relevant statutory period (and any extension thereof) as set forth in Sections 21.III and 21.IV of the Federal Economic Competition Law (*Ley Federal de Competencia Económica*) for the parties to be entitled to consummate the Brewery Transaction shall have expired.

## ARTICLE 11
## TERMINATION

**11.1 Termination.** This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing, as follows:

(a) By mutual written consent of CBI and ABI;

(b) By ABI or by CBI, if the GM Transaction Agreement is terminated;

(c) By CBI or by ABI, if the Closing shall not have occurred on or before December 30, 2013 (provided that the right to terminate this Agreement under this **Section 11.1(c)** shall not be available to any party hereto whose failure to perform or comply with any covenant or agreement under this Agreement applicable to it has proximately contributed to, or resulted in, the failure of the Closing to occur on or before such date).

**11.2 Effect of Termination.** If this Agreement is terminated in accordance with **Section 11.1**, this Agreement shall become null and void and of no further force or effect with no Liability to any Person on the part of any party hereto (or any of its representatives or Affiliates), except that:

(a) The terms and provisions of this **Section 11.2** and **Article 14** shall survive and remain in full force and effect, the terms and provisions of **Article 6** and **Article 7** shall survive and remain in full force and effect until terminated in accordance with their respective terms and the terms and provisions of **Section 12.5(b)** shall survive and remain in full force and effect until twelve (12) months following any termination of this Agreement; provided that if (i) a Governmental Authority appoints a trustee to monitor ABI's compliance with an Order, the terms and provisions of **Section 12.5(b)** shall survive and remain in full force and effect for twelve (12) months following the date of such appointment, unless such Order requires a longer period, and (ii) if ABI or one of its Affiliates enters into a definitive agreement providing for a Participatory Transaction within twelve (12) months of its termination of this Agreement, the terms and provisions of **Section 12.5(b)** shall survive until the earlier of the consummation of such Participatory Transaction and the termination of such definitive agreement.

(b) No termination of this Agreement shall relieve any party hereto from any Liability for any Breach of this Agreement that arose prior to such termination or resulting from fraud of such party.

(c) In the event of termination of this Agreement (i) by ABI pursuant to **Section 11.1(c)** if CBI would have been entitled to terminate this Agreement pursuant to **Section 11.1(c)** at the time of such termination, or (ii) by either ABI or CBI pursuant to **Section 11.1(b)**, then in either case ABI shall promptly (but in no event later than two (2) Business Days after the date of such termination) pay, or cause to be paid, to CBI (or its designee) an amount equal to $75,000,000 (the "**Termination Fee**") by wire transfer of same day funds to any account designated by CBI (or its designee). For the avoidance of doubt, in no event shall ABI be required to pay the Termination Fee on more than one occasion.

## ARTICLE 12
## INDEMNIFICATION

**12.1 Survival.**

(a) **Representations and Warranties**. All of the representations and warranties of the parties contained in this Agreement, including the schedules hereto, shall survive the Closing; **provided**, **however**, that the representations and warranties set forth in **Sections 4.6**, **4.7**, **5.7** and **5.8** hereof shall survive only for one year after the Closing (it being understood that in the event notice of any claim for indemnification under **Section 4.6**, **4.7**, **5.7** or **5.8** hereof has been given (within the meaning of **Section 14.3** hereof) within the applicable survival period, the representations and warranties that are the subject of such indemnification claim shall survive with respect to such claim until such time as such claim is finally resolved).

A claim shall be "finally resolved" when: (i) the parties to the dispute have reached an agreement in writing; (ii) a court of competent jurisdiction shall have entered a final and non-appealable Order or judgment; or (iii) an arbitration or like panel shall have rendered a final non-appealable determination with respect to disputes the parties have agreed to submit thereto.

(b) **Covenants and Agreements**. All of the covenants and agreements of the parties, including the guarantees in **Articles 6** and **7**, shall survive the Closing and continue in full force and effect forever, or otherwise in accordance with their respective terms.

**12.2 Terms of Indemnification.** Subject to the terms and provisions of this **Article 12**:

(a) From and after the Closing, ABI shall indemnify Buyer Parties against, and shall protect, defend and hold harmless Buyer Parties from, all Damages imposed on, sustained, incurred or suffered by the Buyer Parties to the extent arising out of, relating to or resulting from (i) any Breach of any of the representations or warranties of ABI contained in this Agreement, and (ii) any Breach of ABI's covenants or agreements contained in this Agreement.

(b) From and after the Closing, Buyer Parties shall, jointly and severally, indemnify ABI against, and shall protect, defend and hold harmless ABI from, all Damages imposed on, sustained, incurred or suffered by the Seller Parties to the extent arising out of or resulting from (i) any Breach of any representations or warranties of any Buyer Party contained in this Agreement, (ii) any Breach of any Buyer Party's covenants or agreements contained in this Agreement and (iii) any obligations and liabilities relating to the Importer Office Lease.

**12.3 Procedures with Respect to Third Party Claims.** Promptly after the commencement of any action or Proceeding by a third party against any party hereto (a "**Third Party Claim**") that is reasonably expected to give rise to a claim for indemnification under this **Article 12**, the party seeking indemnification (the "**Indemnified Party**") shall give notice in writing to the party (the "**Indemnifying Party**") from whom indemnification is sought of such Third Party Claim. No failure to provide such notice shall affect indemnification hereunder unless such failure materially prejudices the Indemnifying Party. The Indemnifying Party shall then be entitled to participate in such action or Proceeding and, to the extent that it shall wish, to assume the defense thereof, and shall have the sole power to direct and control such defense, with counsel reasonably satisfactory to such Indemnified Party. After notice from the Indemnifying Party to the Indemnified Party of its election to assume the defense of a claim, the Indemnifying Party shall not be liable to such Indemnified Party under **Section 12.2** for any fees of other counsel or any other expenses, in each case subsequently incurred by such Indemnified Party in connection with the defense thereof, other than reasonable costs of investigation. If an Indemnifying Party assumes the defense of such an action (a) no compromise or settlement thereof may be effected by the Indemnifying Party without the Indemnified Party's consent (which shall not be unreasonably withheld) unless (i) there is no finding or admission of any violation of Law, or any violation of the rights of any Person, by the Indemnified Party and no adverse effect on any other claims that may be made against the Indemnified Party and (ii) the sole relief provided is monetary Damages that are paid in full by the Indemnifying Party and (b) the Indemnifying Party shall have no Liability with respect to any compromise or settlement thereof effected by the Indemnified Party without its consent (which shall not be unreasonably withheld). Notwithstanding the foregoing, if an Indemnified Party determines in good faith that there is a reasonable probability that any action may materially and adversely affect it or its Affiliates other than as a result of monetary Damages, such Indemnified Party may, by notice to the Indemnifying Party, assume the exclusive right to defend, compromise or settle such action, but the Indemnified Party shall not compromise or settle any such action without the Indemnifying Party's prior written consent and the Indemnifying Party shall have no Liability with respect to any judgment entered in any action so defended, or a compromise or settlement thereof entered into, without its consent (which shall not be unreasonably withheld). The Indemnified Party shall cooperate with the Indemnifying Party and its counsel in order to ensure the proper and adequate defense of a Third Party Claim, including by providing access to its relevant business records and other documents, and employees.

**12.4 Representation.** It is understood and agreed that Nixon Peabody LLP shall not be precluded from representing the Importer after the date hereof as a result of any legal services or advice it may render to the Buyer Parties in connection with this Agreement, the Transaction Documents, or the transactions contemplated hereby or thereby.

**12.5 Sole Remedy; Drag-Along Right.**

(a) Following the Closing, the indemnification provided in this **Article 12** shall be the exclusive remedy and in lieu of any and all other rights and remedies which the Indemnified Parties may have under this Agreement or otherwise against each other with respect to the transactions contemplated hereby for monetary relief with respect to any Breach of any representation or warranty or any failure to perform any covenant or agreement set forth in this Agreement, and each party hereto each expressly waives any and all other rights or causes of

action it or its Affiliates may have against the other party or its Affiliates now or in the future under any Law with respect to the subject matter hereof, except in either case for fraud of the other party, the parties' rights to seek specific performance in accordance with **Section 14.13**, or enforcement of the guarantees in **Articles 6** and **7**.

(b) If (i) the Buyer Parties fail to consummate the transactions contemplated hereunder when all conditions precedent set forth in **Section 10.2** to the Buyer Parties' obligations to close hereunder have been satisfied or waived, or if all conditions to obligations of the Buyer Parties to consummate the transactions contemplated hereunder would have been satisfied but for a Breach of this Agreement by a Buyer Party, or (ii) CBI fails to consummate the Brewery Transaction when all conditions precedent set forth in Article 6 of the Brewery SPA to CBI's obligation to close thereunder have been satisfied or waived, or if all conditions to the obligation of CBI to consummate the Brewery Transaction would have been satisfied but for a Breach of the Brewery SPA by CBI, then the Seller Parties shall be entitled to: (x) solicit, encourage or initiate negotiations and discussions in good faith with bona fide third parties pursuant to arm's length discussions and negotiations with respect to the sale or transfer of one hundred percent (100%) of the LLC Interests of the Importer (the "**Entire Importer Interest**"), and (y) pursuant to such discussions and negotiations, enter into an agreement to sell to one or more Persons (the "**Alternative Purchaser**") the Entire Importer Interest for cash, without any limitation and without requiring the approval of or notice to any Buyer Party or its Affiliates, including any approval of any Buyer Party or its Affiliates that may be required pursuant to the LLC Agreement, which approval, if any, is hereby granted by the Buyer Parties and their Affiliates, and the Buyer Parties shall be required to sell the fifty percent (50%) of the LLC Interests of the Importer Constellation Beers and its Affiliates currently own (the "**CBI Interest**") to the Alternative Purchaser in accordance with the following and to enter into any agreements reasonably required to effectuate such sale (the "**Drag-Along Right**"):

(i) If the Seller Parties determine to sell the Entire Importer Interest to the Alternative Purchaser pursuant to a sale under this **Section 12.5(b)** (such a sale, a "**Participatory Transaction**"), then upon fifteen (15) days' prior written notice from the Seller Parties (the "**Drag-Along Notice**"), which notice shall include, in reasonable detail, the terms and conditions of the Participatory Transaction, including the time and place of closing and the aggregate purchase price for the Entire Importer Interest, the Buyer Parties shall be obligated to, and shall, on the same terms and conditions specified in the Drag-Along Notice, sell, transfer and deliver, or cause to be sold, transferred and delivered, to the Alternative Purchaser, the CBI Interest in the same transaction at the closing of the Participatory Transaction (and will deliver certificates or assignments for the CBI Interest at such closing, free and clear of all claims, liens and encumbrances subject to customary exceptions); provided that, the Buyer Parties shall only be required to make representations and warranties relating to due organization of Buyer Parties, brokers, non-contravention, title and ownership of, and authority to sell the CBI Interest and shall only be required to provide indemnification to the Alternative Purchaser (which shall be capped at the net cash proceeds received by the Buyer Parties in the transaction and shall be on a pro rata basis with the Seller Parties' indemnification obligations and subject to any limitations on the Seller Parties' obligations to indemnify the Alternative Purchaser (including any caps on indemnification obligations)) for breaches of such representations and warranties and any covenants that both the Seller Parties and the

Buyer Parties are required to make. For the avoidance of doubt, ABI shall obtain from Seller any consent or approval required under Importer's organizational documents to consummate a Participatory Transaction and the effectiveness of the grant of the Drag-Along Right granted to the Seller Parties pursuant to this **Section 12.5(b)** (and any exercise thereof) is contingent upon CBI's receipt of any such consent or approval from Seller.

(ii) In determining the terms and conditions of the Participatory Transaction for purposes of this **Section 12.5(b)**, the Seller Parties shall act in good faith in determining such terms and conditions and will not include terms that the Buyer Parties could not lawfully accept, or include any non-compete (or similar restriction on the ability of any Buyer Party or its Affiliates to operate or compete) or requirement on the part of any Buyer Party to accept any restrictions or conditions on the business of any such Buyer Party in order to obtain consents of Governmental Authorities other than with respect to the CBI Interest (the "**Restrictive Terms**"). Notwithstanding the provisions of this **Section 12.5(b)**, if the Seller Parties determine to consummate a Participatory Transaction with Restrictive Terms, the Seller shall purchase from Constellation Beers, and Constellation Beers shall sell to the Seller, the CBI Interest as Constellation Beers otherwise would have transferred in such Participatory Transaction had such Participatory Transaction not included the Restrictive Terms; provided that the Seller Parties shall hold the Entire Importer Interest (i) solely for the purposes of facilitating a sale to an Alternative Purchaser and (ii) for that period of time necessary to effect the transfer of the Entire Importer Interest to such Alternative Purchaser.

(iii) In any Participatory Transaction contemplated by this **Section 12.5(b)**, CBI shall receive, in exchange for the CBI Interest, (x) Participatory Transaction Amount, minus (y) $375,000,000, and ABI shall pay such amount to CBI on the closing date of the sale of the Entire Importer Interest to the Alternative Purchaser in the Participatory Transaction or such other times specified in the definitive agreement providing for such Participatory Transaction if the Seller Parties are also required their pro rata portion of the proceeds from such Participatory Transaction at such times.

(c) For the avoidance of doubt, the Seller Parties shall be entitled to the Drag-Along Right if CBI fails to acquire the Importer Interest or if CBI fails to consummate the Brewery Transaction.

**12.6 Adjustments to Losses.**

(a) In calculating the amount of any loss, the proceeds actually received by the Indemnified Party or any of its Affiliates under any insurance policy or pursuant to any claim, recovery, settlement or payment by or against any other Person, in each case relating to any claim for indemnification pursuant to **Section 12.2**, net of any actual costs or expenses incurred in connection with securing or obtaining such proceeds, shall be deducted, except to the extent that the adjustment itself would excuse, exclude or limit the coverage of all or part of such loss. In the event that an Indemnified Party has any rights against a third party with respect to any occurrence, claim or loss that results in a payment by an Indemnifying Party under this **Article 12**, such Indemnifying Party shall be subrogated to such rights to the extent of such

payment; provided that until the Indemnified Party recovers full payment of the loss related to any such claim, any and all claims of the Indemnifying Party against any such third party on account of said indemnity payment is hereby expressly made subordinate and subject in right of payment to the Indemnified Party's rights against such third party. Without limiting the generality or effect of any other provision hereof, each Indemnified Party and Indemnifying Party shall duly execute upon request all instruments reasonably necessary to evidence and perfect the subrogation and subordination rights detailed herein, and otherwise cooperate in the prosecution of such claims.

(b) If an Indemnified Party recovers an amount from a third party in respect of a loss that is the subject of indemnification hereunder after all or a portion of such loss has been paid by an Indemnifying Party pursuant to this **Article 12**, the Indemnified Party shall promptly remit to the Indemnifying Party the excess (if any) of (i) the amount paid by the Indemnifying Party in respect of such loss, plus the amount received from the third party in respect thereof, less (ii) the full amount of loss.

(c) Indemnified losses to any Indemnified Party hereunder shall be determined net of the amount of any Tax benefit actually recognized in cash by the Indemnified Party in connection with such indemnified loss or any of the circumstances giving rise thereto.

**12.7 Consequential Damages.** Subject to the next sentence of this **Section 12.7**, no Person shall be liable under this **Article 12** for any consequential, punitive, special, incidental or indirect Damages, including lost profits and diminution in value, except to the extent awarded by a court of competent jurisdiction in connection with a Third Party Claim. Notwithstanding anything to the contrary in this Agreement, including the second sentence of **Section 2.1** and **Section 12.5**, the restriction in the preceding sentence on the right of a party hereunder to recover consequential, punitive, special, incidental and indirect Damages, including lost profits and diminution in value, shall not apply where the Seller Parties fail to sell all of the Importer Interest to the Buyers after all conditions precedent set forth in this Agreement to the Seller Parties' obligations to sell the Importer Interest to the Buyers hereunder have been satisfied or waived.

**12.8 Accuracy and Compliance.** The right to indemnification or other remedy based on any representations, warranties, obligations, covenants and agreements set forth in this Agreement or in any of the other Transaction Documents, will not be affected by any investigation conducted with respect to, or any notice or knowledge acquired (or capable of being acquired) at any time, whether before or after the date hereof or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant or agreement. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or agreement, will not affect the right to indemnification or other remedy based on such representations, warranties, covenants and agreements.

## ARTICLE 13
## TERMINATION OF JOINT VENTURE AGREEMENTS

Effective as of the Closing, the parties hereto agree, on behalf of themselves and each of their Affiliates, that each of the agreements included on **Schedule 13.1** (the "**Terminated**

**Agreements**") shall terminate in its entirety and have no further force and effect without any further action by any party hereto or thereto or any other Person and no party to any such agreement or other Person shall have any further rights or obligations thereunder whatsoever, all effective upon the Closing; **provided**, **that** to the extent that any such terminated agreement had already terminated on or prior to the Closing by its own terms such termination shall continue to be effective pursuant to such terms.

## ARTICLE 14
## GENERAL PROVISIONS

**14.1 Parties in Interest; Successors and Assigns; No Third Party Rights.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, and, nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person (other than the released parties pursuant to **Section 9.9**, the person to who the guarantees in **Article 6** and **Article 7** are made, and the Indemnified Parties pursuant to **Article 12**) any legal or equitable right, title, privilege, benefit, interest, remedy or claim of any nature whatsoever under or by reason of this Agreement, or any term or provision hereof except that the financing sources under the Financing Commitment shall be considered third party beneficiaries with respect to **Section 14.12**.

**14.2 Assignment.** This Agreement and the rights, title, privileges, benefits, interests, remedies and obligations hereunder may not be assigned by any party hereto, by operation of Law or otherwise; **provided**, **however**, that a Buyer may (a) assign any or all of its rights, title, privileges, benefits, interests and remedies hereunder to any one or more wholly owned, direct or indirect Subsidiaries of CBI; (b) designate any one or more of wholly owned, direct or indirect Subsidiaries of CBI to perform its obligations hereunder; and (c) assign any or all of its rights, title, privileges, benefits, interests and remedies hereunder to and for the benefit of any lender to CBI for the purpose of providing collateral security; provided further that any such designation or assignment shall not impede or delay the consummation of the transactions contemplated by this Agreement or otherwise impede the rights of ABI under this Agreement and no such assignment or delegation shall relieve the Buyer Parties of any of their obligations hereunder. Any purported assignment of this Agreement in violation of this **Section 14.2** shall be null and void.

**14.3 Notices.** (a) All notices, demands, requests, or other communications that may be or are required to be given, served, or sent by any party to any other party pursuant to this Agreement shall be in writing and shall be delivered in person, mailed by registered or certified mail, return receipt requested, delivered by a commercial courier guaranteeing overnight delivery, or sent by facsimile (transmission confirmed), addressed as follows:

If to the Buyers or CBI:

Constellation Brands, Inc.
207 High Point Drive
Building 100
Victor, New York 14564
Attn: General Counsel
Telephone: +1 (585) 678-7266
Fax: +1 (585) 678-7103

with a required copy (which copy shall not constitute notice hereunder) to:

Nixon Peabody LLP
1300 Clinton Square
Rochester, New York 14604
Attn: James O. Bourdeau
Telephone: +1 (585) 263-1000
Fax: +1 (585) 346-1600

If to Seller or ABI:

Anheuser-Busch InBev SA/NV
Brouwerijplein 1
Leuven 3000
Belgium Attn: Chief Legal Officer & Company Secretary
Telephone: +32 16 276942
Fax: +32 16 506699

with a copy (which copy shall not constitute notice hereunder) to:

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Attn: Frank J. Aquila
George J. Sampas
Krishna Veeraraghavan
Telephone: +1 (212) 558-4000
Fax: +1 (212) 558-3588

Delivery shall be effective upon delivery or refusal of delivery, with the receipt or affidavit of the United States Postal Service or overnight delivery service or facsimile confirmation deemed conclusive evidence of such delivery or refusal. Each party may designate by notice in writing a new address to which any notice, demand, request, or communication may thereafter be so given, served, or sent.

(b) Subject to **Section 9.1**, the parties hereby agree that any and all communications of the Buyer Parties with respect to this Agreement and the transactions contemplated hereby shall be made exclusively with ABI and its designated representatives, and the Buyer Parties shall not, directly or indirectly, contact Grupo Modelo, Seller or any of their controlled Affiliates or any of their respective officers, directors, employees, advisors or other representatives regarding any such matters; **provided**, **however**, that nothing in this **Section 14.3(b)** shall prohibit the Buyer Parties from communicating with Grupo Modelo, Seller or any of their controlled Affiliates or any of their respective officers, directors, employees, advisors or other representatives regarding:

(i) the operation of Importer during the period from June 28, 2012 through the Closing; (ii) any communications or notices required pursuant to the LLC Agreement; (iii) the Importer's transition planning regarding the transactions contemplated by this Agreement; and (iv) any public statements or press releases by the Buyer Parties, Seller or the Importer regarding the transactions contemplated by this Agreement to the extent the Buyer Parties have provided a copy of any such public statement or press release to ABI in advance of any communication with Grupo Modelo, Seller or any of their controlled Affiliates.

**14.4 Entire Agreement.** This Agreement (including the schedules and exhibits hereto, which are incorporated into this Agreement by this reference and made a part hereof), the Confidentiality Agreement, dated as of May 26, 2012, by and between CBI, ABI and solely with respect to Section 2 thereof, Grupo Modelo (the "**Confidentiality Agreement**"), the Brewery SPA, the Sub-license Agreement, the Transition Services Agreement and each of the other Transaction Documents, constitute the entire agreement among the parties with respect to the subject matter hereof and thereof, and supersede all prior or contemporaneous agreements and understandings, whether written or oral, among the parties hereto, or any of them, with respect to the subject matter hereof and thereof.

**14.5 Counterparts and Facsimile Signature.** This Agreement may be executed in any number of counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, and all of which, taken together, shall be deemed to constitute one and the same instrument. This Agreement may be executed by facsimile signature.

**14.6 Severability.** If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law, Order or public policy, all other terms, conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

**14.7 Amendment.** Subject to **Section 14.15**, this Agreement may not be amended or modified except by a written instrument, specifically referring to this Agreement and signed by each of the parties hereto.

**14.8 Waiver.** Neither the failure nor any delay of any party to this Agreement to assert or exercise any right, power, privilege or remedy under this Agreement, any of the other Transaction Documents or otherwise, or to enforce any term or provision hereof or thereof, shall constitute a waiver of such right, power, privilege or remedy, and no single or partial exercise of any such right, power, privilege or remedy shall preclude any other or further exercise of such right, power, privilege or remedy or the exercise of any other right, power, privilege or remedy. The rights, powers, privileges and remedies of the parties to this Agreement are cumulative and not alternative. Any waiver of any right, power, privilege or remedy hereunder or under any of the Transaction Documents shall be valid and binding only if set forth in a written instrument specifically referring to this Agreement and signed by the party or parties giving such waiver, and shall be effective only in the specific instance and for the specific purpose for which it is given.

**14.9 Further Assurances.** Each party shall do and perform or cause to be done and performed all further acts and things and shall execute and deliver all further agreements, certificates, instruments and documents as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement or any of the Transaction Documents and the consummation of the transactions contemplated hereby and thereby. For the avoidance of doubt, Buyer Parties agree that they shall not assert any consent or approval is required by the Buyer Parties or their respective Affiliates in connection with the GM Transaction or the acquisition of the capital stock of Extrade by ABI or one of its Affiliates in connection with the GM Transaction.

**14.10 Expenses**. The Buyer Parties and Seller Parties shall bear their own respective fees, costs and expenses incurred in connection with this Agreement and the Transaction Documents (including the preparation, negotiation and performance hereof and thereof) and the transactions contemplated hereby and thereby (including fees and disbursements of attorneys, accountants, agents, representatives and financial and other advisors).

**14.11 Governing Law.** This Agreement shall be governed by, and construed in accordance with, the Laws of the State of Delaware without regard to its conflict of laws principles.

**14.12 Submission to Jurisdiction; Service of Process; Waiver of Jury Trial.** THIS AGREEMENT SHALL BE DEEMED TO BE MADE IN AND IN ALL RESPECTS SHALL BE INTERPRETED, CONSTRUED AND GOVERNED BY AND IN ACCORDANCE WITH THE LAW OF THE STATE OF DELAWARE WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF TO THE EXTENT THAT SUCH PRINCIPLES WOULD DIRECT A MATTER TO ANOTHER JURISDICTION. The parties hereby irrevocably submit to the personal jurisdiction of the courts of the State of Delaware and the Federal courts of the United States of America located in the State of Delaware solely in respect of the interpretation and enforcement of the provisions of this Agreement, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or Proceeding for the interpretation or enforcement hereof, that it is not subject thereto or that such action, suit or Proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Agreement may not be enforced in or by such courts, and the parties hereto irrevocably agree that all claims relating to such action, Proceeding or transactions shall be heard and determined in such a Delaware State or Federal court. The parties hereby consent to and grant any such court jurisdiction over the person of such parties and, to the extent permitted by Law, over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or Proceeding in the manner provided in **Section 14.3** or in such other manner as may be permitted by Law shall be valid and sufficient service thereof. The parties further agree that New York state or United States Federal courts sitting in the Borough of Manhattan, City of New York shall have exclusive jurisdiction over any action brought against any financing source under the Financing Commitment in connection with the transactions contemplated under this Agreement.

**EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, INCLUDING ANY SUCH CLAIM AGAINST THE FINANCING SOURCES UNDER THE FINANCING COMMITMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (ii) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (iii) EACH PARTY MAKES THIS WAIVER VOLUNTARILY AND (iv) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 14.12.**

**14.13 Specific Performance.**

(a) Each of the parties hereto hereby agree that (i) the Importer Interest is a unique property, and (ii) irreparable damage would occur in the event that any provision of this Agreement was not performed in accordance with its specific terms or was otherwise breached, and that monetary Damages or other legal remedies would not be an adequate remedy for any failure to purchase or sell the Importer Interest or consummate the Brewery Transaction or for any such Damages. Accordingly, except as otherwise provided in **Section 12.5** and **Section 12.7**, the parties hereto acknowledge and hereby agree that in the event of any Breach or threatened Breach by ABI, on the one hand, or the Buyer Parties, on the other hand, of any of their respective covenants or obligations set forth in this Agreement, ABI, on the one hand, and the Buyer Parties, on the other hand, shall be entitled, in addition to all other remedies available under Law or equity, to an injunction or injunctions to prevent or restrain Breaches or threatened Breaches of this Agreement by the other (as applicable), and to specifically enforce the terms and provisions of this Agreement to prevent Breaches or threatened Breaches of, or to enforce compliance with, the covenants and obligations of the other (as applicable) under this Agreement, and this right shall include the right of ABI to cause CBI to fully enforce the terms of the Financing Commitment, including by requiring CBI to file one or more lawsuits against the lenders party to the Financing Commitment to fully enforce the obligations of such lenders under the Financing Commitment, as well as the right of CBI to cause ABI to cause the Importer Interest to be transferred to Constellation Beers and CBBH upon satisfaction or waiver of all conditions to Seller Parties' obligation to transfer such Importer Interest to Constellation Beers and CBBH.

(b) Each of ABI, on the one hand, and the Buyer Parties, on the other hand, hereby agrees not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain Breaches or threatened Breaches of this Agreement by ABI or the Buyer Parties, as applicable, and to specifically enforce the terms and provisions of this Agreement to prevent Breaches or threatened Breaches of, or to enforce compliance with, the

covenants and obligations of ABI or the Buyer Parties, as applicable, under this Agreement. Any party seeking an injunction or injunctions to prevent Breaches or threatened Breaches of, or to enforce compliance with, the terms and provisions of this Agreement shall not be required to provide any bond or other security in connection with such Order or injunction. Subject to **Section 12.5** and **Section 12.7**, the parties hereto further agree that (x) by seeking the remedies provided for in this **Section 14.13**, a party shall not in any respect waive its right to seek any other form of relief that may be available to a party under this Agreement (including monetary Damages) and (y) nothing set forth in this **Section 14.13** shall require any party hereto to institute any Proceeding for (or limit any party's right to institute any Proceeding for) specific performance under this **Section 14.13** prior or as a condition to exercising any termination right under **Article 11** (and pursuing Damages after such termination), nor shall the commencement of any legal Proceeding pursuant to this **Section 14.13** or anything set forth in this **Section 14.13** restrict or limit any party's right to terminate this Agreement in accordance with the terms of **Article 11** or pursue any other remedies under this Agreement that may be available then or thereafter. For the avoidance of doubt, the Buyer Parties acknowledge and hereby agree that ABI may pursue both a grant of specific performance and the Drag-Along Right, provided that ABI shall not be permitted or entitled to receive both a grant of specific performance and to consummate a Participatory Transaction. Unless the Closing has occurred, ABI's right to specific performance contained in **Section 14.13** and its rights pursuant to the Drag-Along Right in **Section 12.5(b)** shall be its sole and exclusive remedy for any Breach or threatened Breach of this Agreement by the Buyer Parties.

**14.14 Obligations of ABI and Seller.** Whenever this Agreement requires Seller to take any action, such requirement shall be deemed to include an undertaking on the part of ABI to use reasonable best efforts to cause Seller to take such action (it being understood that ABI shall have no obligation to actually cause Seller to take any action or refrain from taking any action hereunder unless and until the GM Transaction Closing has occurred).

**14.15 Adjustments to Transactions.** The parties hereto acknowledge that it may become necessary or advisable after the date of this Agreement to adjust or modify the structure of the various transactions described in this Agreement and, subject to **Section 9.1**, agree to cooperate in good faith in order to preserve the economic benefits reasonably expected to be achieved by each of the parties hereto and to consider and, to the extent mutually agreed, effectuate the adjustments or modifications reasonably requested by any other party by amending the terms of this Agreement and/or the other Transaction Documents; **provided that**, subject to **Section 9.1**, no such adjustment or modification shall, in any material respect, adversely affect the rights and obligations of any party under this Agreement or disadvantage any party, or reasonably be expected to prevent or materially delay the consummation of the transactions contemplated by this Agreement, and **further provided that**, subject to **Section 9.1**, ABI shall have the right to amend any term or provision of this Agreement or any other Transaction Document with the consent of the Buyer Parties, which consent shall not be unreasonably withheld or delayed (it being agreed and understood that: (a) it would be unreasonable for the Buyer Parties to withhold, delay or condition their consent if any such amendment is beneficial, or not adverse in any respect, to the rights and obligations of the Buyer Parties hereunder or thereunder; (b) if any of the Seller Parties, Supplier or Marcas Modelo relinquishes any right it may have against the Buyer Parties or the Importer hereunder or under the other Transaction Documents, as applicable, or if the economics of this Agreement or any of the other Transaction

Documents, as applicable, are modified or supplemented to the benefit of the Buyer Parties or the Importer, as applicable, such changes to this Agreement or such other Transaction Document shall be considered as beneficial, and not adverse, to the rights and obligations of the Buyer Parties or the Importer, as applicable, hereunder or under such other Transaction Document; and (c) it would be reasonable for the Buyer Parties to withhold, delay or condition their consent if any such amendment would be materially adverse to the lenders and other Persons providing the Financing). For the avoidance of doubt, if there is any conflict between the terms of this **Section 14.15** and the terms of **Section 9.1**, the terms of **Section 9.1** shall govern.

**14.16 Confidentiality.** Subject to **Section 14.3(b)**, the terms of the Confidentiality Agreement are incorporated into this Agreement by reference and shall continue in full force and effect until the Closing, at which time the Confidentiality Agreement shall terminate. If, for any reason, the transactions contemplated by this Agreement are not consummated, the Confidentiality Agreement shall nonetheless continue in full force and effect in accordance with its terms.

**14.17 References to the Original Purchase Agreement.** After giving effect to this Agreement, each reference in the Original Purchase Agreement to "this Agreement", "hereof", "hereunder", "herein" or words of like import referring to the Original Purchase Agreement shall refer to this Agreement.

*[The remainder of this page is intentionally left blank.]*

**IN WITNESS WHEREOF**, the parties hereto have duly caused this Agreement to be executed, as an instrument under seal, as of the date first above written.

**CONSTELLATION BEERS LTD.**

By: /s/ Robert Sands
Name: Robert Sands
Title: President

**CONSTELLATION BRANDS BEACH HOLDINGS, INC.**

By: /s/ F. Paul Hetterich
Name: F. Paul Hetterich
Title: President

**CONSTELLATION BRANDS, INC.**

By: /s/ Robert Sands
Name: Robert Sands
Title: President and CEO

**ANHEUSER-BUSCH INBEV SA/NV**

| | | |
|---|---|---|
| By: | /s/ Robert Golden | /s/ John Blood |
| Name: | Bob Golden | John Blood |
| Title: | Authorized Representative | Authorized Representative |

[*Signature Page to Amended and Restated Membership Interest Purchase Agreement*]

**Exhibit 4.17**

CONFIDENTIAL TREATMENT REQUESTED BY ANHEUSER-BUSCH INBEV SA/NV
[****] Indicates that certain information contained herein has been
omitted and filed separately with the Securities and Exchange Commission.
Confidential treatment has been requested with respect to the omitted portions

EXECUTION COPY

# STOCK PURCHASE AGREEMENT

**between**

**ANHEUSER-BUSCH INBEV SA/NV**

**and**

**CONSTELLATION BRANDS, INC.**

**February 13, 2013**

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THIS STOCK PURCHASE AGREEMENT (this "*Agreement*") is made and entered into as of February 13, 2013, between Anheuser-Busch InBev SA/NV, a public company organized under the laws of Belgium ("*ABI*") and Constellation Brands, Inc., a Delaware corporation ("*CBI*").

R E C I T A L S:

WHEREAS, on June 28, 2012, ABI, and certain of its affiliated entities, Grupo Modelo, S.A.B. de C.V., a *sociedad anónima bursátil de capital variable* organized under the laws of Mexico ("*Grupo Modelo*"), Diblo S.A. de C.V., a Mexican *sociedad anónima de capital variable* ("*Diblo*"), and Dirección de Fabricas, S.A. de C.V., a Mexican *sociedad anónima de capital variable* partially owned but not controlled by Diblo ("*Dijon*"), as applicable, entered into certain transaction agreements pursuant to which (i) Diblo will be merged with and into Grupo Modelo, and simultaneously therewith or subsequently thereafter, Dijon will be merged with and into Grupo Modelo, with Grupo Modelo continuing as the surviving company of these mergers and (ii) a Subsidiary of ABI will commence a public tender offer in Mexico to purchase all the outstanding shares of capital stock of Grupo Modelo not owned directly or indirectly by ABI, in each case on the terms and subject to the conditions set forth therein (collectively, the "*GM Transaction*");

WHEREAS, GModelo Corporation, a Delaware corporation and a Subsidiary of Grupo Modelo ("*GMC*"), holds 50 percent (the "*Importer Interest*") of the limited liability company membership interests of Crown Imports LLC, a Delaware limited liability company ("*Importer*"), and, in connection with and contingent on the closing of the GM Transaction, ABI desires to cause GMC to sell the Importer Interest to Constellation Beers Ltd. a Maryland corporation, and Constellation Brands Beach Holdings, Inc., a Delaware corporation, pursuant to the terms and conditions in the Amended and Restated Membership Interest Purchase Agreement, among Constellation Beers Ltd., Constellation Brands Beach Holdings, Inc., CBI, and ABI, dated June 28, 2012 and as amended and restated as of the date hereof (such agreement, the "*MIPA*" and such sale, the "*MIPA Transaction*");

WHEREAS, as of the date hereof, Grupo Modelo and Diblo collectively own (i) all of the issued and outstanding shares of capital stock (no par value) (the **"***CCC Company Shares*") of Compañia Cervecera de Coahuila, S.A. de C.V., *a sociedad anónima de capital variable* organized under the laws of Mexico (the "*CCC Company"*) and (ii) all of the issued and outstanding shares of capital stock (no par value) (the "*Servicios Company Shares*" and, together with the CCC Company Shares, the "*Shares*") of Servicios Modelo de Coahuila, S.A. de C.V., *a sociedad anónima de capital variable* organized under the laws of Mexico (the "*Servicios Company"* and, together with the CCC Company, the "*Companies*" and each a "*Company*"), and, after the merger of Diblo into Grupo Modelo, Grupo Modelo and another direct or indirect Subsidiary of Grupo Modelo will collectively own all of the issued and outstanding Shares, and in connection with and contingent on the consummation of the GM Transaction and the MIPA Transaction, ABI desires to cause Grupo Modelo to sell, or cause to be sold, the Shares to the Buyer Parties, as designated by CBI, and to grant to Constellation Beers the rights described under the License Agreement, immediately following the consummation of the MIPA Transaction, all upon the terms and conditions set forth in this Agreement; and

NOW, THEREFORE, in consideration of the premises and of the representations, warranties, covenants and agreements set forth in this Agreement, and subject to and on the terms and conditions set forth in this Agreement, the parties hereto agree as follows:

## ARTICLE I
## PURCHASE AND SALE; CLOSING

1.1 Purchase and Sale. Upon the terms and subject to the conditions set forth in this Agreement, ABI agrees (a) to cause Grupo Modelo to sell and transfer, or cause to be sold and transferred, one of each of the CCC Company Shares and the Servicios Company Shares to one of the other Buyer Parties, as designated by CBI, and the remainder of the CCC Company Shares and the Servicios Company Shares to one of the other Buyer Parties, as designated by CBI, and CBI agrees to cause such Buyer Parties to purchase the Shares, directly or indirectly, from Grupo Modelo, free and clear of any Liens other than Share Permitted Liens and (b) to cause Marcas Modelo to grant to Constellation Beers the rights described in the License Agreement (collectively, the "*Purchase*").

1.2 Closing. Unless this Agreement shall have terminated and the transactions herein contemplated shall have been abandoned in accordance with the terms and provisions of Article VIII and except as agreed to in writing by ABI and CBI, the closing of the Purchase (the "*Closing*") shall take place on the date on which the MIPA Transaction Closing takes place and immediately following consummation of the MIPA Transaction (the "*Closing Date*"). The Closing shall take place at the offices of ABI's counsel, Sullivan & Cromwell LLP, 125 Broad Street, New York, New York, at 10:00 a.m., New York City time on the Closing Date.

1.3 Purchase Price. Upon the terms and subject to the conditions of this Agreement, including, without limitation, the Purchase Price Adjustment described in Section 1.4 of this Agreement, at the Closing, CBI shall pay or cause to be paid to the parties set forth in Schedule 1.3 of this Agreement Two Billion Nine Hundred Million Dollars ($2,900,000,000) for the Shares and the rights described in the License Agreement (the "*Purchase Price*"), in cash, by wire transfer of immediately available funds.

1.4 Adjustment to the Purchase Price. (a) Promptly following the Closing, ABI and CBI shall engage Ernst & Young LLP, or if such firm is not willing to act in such capacity, such other internationally recognized accounting firm reasonably acceptable to ABI and CBI (the "*Initial EBITDA Accountant*") to prepare a statement (the "*Initial Statement*") calculating and setting forth EBITDA (the amount calculated and set forth on such Initial Statement, the "*Initial EBITDA Amount*"), which statement shall include a worksheet setting forth in reasonable detail how such amount was calculated. The Initial EBITDA Accountant shall prepare the Initial Statement as described herein and utilizing the definitions set forth herein. The Initial Statement shall be completed and delivered to ABI and CBI by the Initial EBITDA Accountant within ninety (90) days after the Closing Date. In connection with the foregoing, ABI and CBI shall each cooperate with the Initial EBITDA Accountant and provide all relevant books and records and other information in the possession or control of such party relating to determining the Initial EBITDA Amount as the Initial EBITDA Accountant may reasonably request. If the Initial EBITDA Accountant determines in the Initial Statement that Initial EBITDA Amount is less than $310 million, ABI shall cause a payment equal to 9.3 times the absolute value of the difference between $310 million and the Initial EBITDA Amount, to be made to CBI within 30 days of the delivery of the Initial Statement by the Initial EBITDA Accountant (such amount, the "*Preliminary Adjustment Amount*").

(b) During the 90 days immediately following ABI's and CBI's receipt of the Initial Statement (the "*Adjustment Review Period*"), ABI and CBI and their representatives shall be permitted to review all working papers and working papers of such parties and their independent accountants, as well as those of the Initial EBITDA Accountant, relating to the preparation of the Initial Statement and the calculation of the Initial EBITDA Amount, and each party and the Initial EBITDA Accountant shall make reasonably available to the other the individuals responsible for and knowledgeable about the information used in, and the preparation or calculation of, the Initial Statement and the Initial EBITDA Amount; provided, however, that the independent accountants shall not be obligated to make any working papers available unless and until the other requesting party has signed a customary confidentiality and hold harmless agreement relating to such access to working papers in form and substance reasonably acceptable to such independent accountants.

(c) Each party shall, following the Closing through the date that the Final Statement becomes such in accordance with the last sentence of Section 1.4(f), take all actions reasonably necessary to maintain and preserve all necessary accounting books and records, policies and procedures on which the Initial Statement is based so as not to impede or delay the determination of the Initial EBITDA Amount or the Final EBITDA Amount or the Final Statement in the manner and utilizing the methods permitted by this Agreement.

(d) Each party shall notify the other in writing (each, a "*Notice of Disagreement*") prior to the expiration of the Adjustment Review Period if such party disagrees with the Initial Statement or the Initial EBITDA Amount. Each Notice of Disagreement shall set forth in reasonable detail the basis for such disagreement, the amounts involved and such party's determination of the Initial EBITDA Amount with reasonably detailed supporting documentation. If no Notice of Disagreement is received on or prior to the expiration date of the Adjustment Review Period, then the Initial Statement and the Initial EBITDA Amount set forth in the Initial Statement shall be deemed to have been accepted by both parties and shall become final and binding upon CBI and ABI in accordance with the last sentence of Section 1.4(f).

(e) If any Notice of Disagreement is received during the Adjustment Review Period, during the 30 days immediately following the Adjustment Review Period (the "*Adjustment Consultation Period*"), CBI and ABI shall seek in good faith to resolve any disagreement that they may have with respect to the matters specified in either party's Notice of Disagreement.

(f) If, at the end of the Adjustment Consultation Period, CBI and ABI have been unable to resolve all disagreements that they may have with respect to the matters specified in the Notice of Disagreement, then CBI and ABI shall submit all matters that remain in dispute with respect to the Notice of Disagreement(s) (along with a copy of the Initial Statement marked to indicate those line items that are in dispute) to Deloitte Touche Tohmatsu Limited (the "*Independent Accountant*") within 30 days. In the event that Deloitte Touche Tohmatsu Limited is not willing to act as the Independent Accountant, CBI and ABI shall cooperate in good faith to

appoint another internationally recognized accounting firm reasonably acceptable to ABI and CBI in which event "Independent Accountant" shall mean such firm. If within ten (10) days of referral of such disagreements to Deloitte Touche Tohmatsu Limited, Deloitte Touche Tohmatsu Limited declines to accept its appointment as Independent Accountant, or if ABI and CBI are unable to agree on the selection of an independent internationally recognized accounting firm that will agree to act as Independent Accountant within ten (10) days, then either ABI or CBI may request the American Arbitration Association to appoint such a firm, and such appointment shall be conclusive and binding on all of the parties hereto. Within 120 days after the submission of such matters to the Independent Accountant, or as soon as practicable thereafter, the Independent Accountant, acting as an expert and not as an arbitrator, will make a final determination, binding on CBI and ABI, on the basis of the definition of EBITDA and in accordance with this Section 1.4(f), of the appropriate amount of each of the line items in the Initial Statement as to which CBI and ABI disagree as specified in the Notice of Disagreement(s) and a determination of EBITDA based thereon and on line items in the Initial Statement not disputed by the parties. With respect to each disputed line item, such determination, if not in accordance with the position of either CBI and ABI, shall not be in excess of the higher, nor less than the lower, of the amounts advocated by CBI or ABI in the Notice of Disagreements. For the avoidance of doubt, the Independent Accountant shall not review any line items or make any determination with respect to any matter other than those matters in the Notice of Disagreements that remain in dispute (unless an adverse determination as to one line item would have a positive financial impact to the other party as a result of a corresponding change in a separate line item). The determination of EBITDA that is final and binding on CBI and ABI, as determined either through agreement of CBI and ABI (deemed or otherwise) pursuant to Section 1.4(b), (d), (e) and this Section 1.4(f) or through the determination of the Independent Accountant pursuant to this Section 1.4(f), are referred to herein as the "*Final Statement*" and the "*Final EBITDA Amount*", respectively; provided, however, that if the Final EBITDA Amount exceeds $370 million, the Final EBITDA Amount used for purposes of Section 1.4(h) below shall be $370 million.

(g) The cost of the Independent Accountant's review and determination shall be entirely borne by that party whose submission to the Independent Accountant is furthest from the determination of the Final EBITDA Amount (with any ABI submission over $370 million deemed to be a submission of $370 million solely for this purpose). For example, if CBI submits that the Final EBITDA Amount is $365 million and ABI submits that the Final EBITDA Amount is $400 million, but the Independent Accountant determines that the Final EBITDA Amount is $370 million, CBI shall bear 100% of the fees and expenses of the Independent Accountant. During the review by the Independent Accountant, CBI and ABI shall each make available to the Independent Accountant such individuals and such information, books, records and work papers, as may be reasonably required by the Independent Accountant to fulfill its obligations under Section 1.4(f); provided, however, that the independent accountants of CBI and ABI shall not be obligated to make any working papers available to the Independent Accountant unless and until the Independent Accountant has signed a customary confidentiality and hold harmless agreement relating to such access to working papers in form and substance reasonably acceptable to such independent accountants.

(h) The amount equal to the product of (A) (i) the Final EBITDA Amount minus (ii) Target EBITDA Amount and (B) nine and three-tenths (9.3) is hereinafter referred to as the "*Purchase Price Adjustment*".

If the sum of the Purchase Price Adjustment and the Preliminary Adjustment Amount, if any, is a negative number, ABI shall cause payment of the absolute value of such amount by wire transfer of immediately available funds to a bank account designated in writing by CBI (such designation to be made at least three (3) days prior to the date such payment is due). If the sum of the Purchase Price Adjustment and the Preliminary Adjustment Amount, if any, is a positive number, CBI shall cause payment of such amount by wire transfer of immediately available funds to a bank account designated in writing by ABI (such designation to be made at least three (3) days prior to the date such payment is due). Any payment to be made pursuant to the prior two sentences shall be made within thirty (30) days after the Final EBITDA Amount has been determined; provided, however, that notwithstanding the foregoing, CBI shall not be required to make any payment in excess of the value of the Preliminary Adjustment Amount until the first anniversary of the Closing. Any amounts due and not paid within period required hereunder shall accrue interest at an annual rate equal to the rate of interest from time to time announced by the Bank of America as its prime rate, plus four percent (4%), calculated on the basis of the actual number of days elapsed from the end of such period to the date of payment.

1.5 Deliveries by Buyer Parties. At the Closing, CBI shall deliver or cause to be delivered to ABI the following:

(a) The Purchase Price by wire transfer of immediately available funds to an account or the accounts designated by ABI and beneficially owned by the applicable Persons described on Schedule 1.3; and

(b) Duly executed counterparts to the Ancillary Agreements.

1.6 Deliveries by ABI and the Companies. At the Closing, ABI shall deliver or cause to be delivered the following:

(a) The stock certificates representing the Shares, duly endorsed in property by each Company's shareholders to the Buyer Parties to be designated by CBI not less than two Business Days prior to the Closing Date, in form and substance acceptable to CBI;

(b) A copy of each Company's stock register entry, certified by each Company's Secretary, in form and substance acceptable to CBI, evidencing the sale of the Shares to the Buyer Parties to be designated by CBI;

(c) A copy of the documents evidencing the authority of the representative of each of the Companies' shareholders to endorse the stock certificates representing the Shares to the Buyer Parties to be designated by CBI, in form and substance acceptable to CBI;

(d) The corporate seal and minute books of each of the Companies; and

(e) Duly executed counterparts to the Ancillary Agreements.

1.7 Adjustments to Transactions. The parties hereto acknowledge that it may become necessary or advisable after the date of this Agreement to adjust or modify the structure of the various transactions described in this Agreement and, subject to Section 5.2, agree to cooperate in good faith in order to preserve the economic benefits reasonably expected to be achieved by each of the parties hereto and to consider and, to the extent mutually agreed, effectuate the adjustments or modifications reasonably requested by any other party by amending the terms of this Agreement or the Ancillary Agreements; provided that, subject to Section 5.2, no such adjustment or modification shall, in any material respect, adversely affect the rights and obligations of any party or any of its Affiliates under this Agreement or disadvantage any party or any of its Affiliates (including, for the avoidance of doubt, any disadvantage which may result from adverse Tax consequences), or reasonably be expected to prevent or materially delay the consummation of the transactions contemplated by this Agreement; provided, further, that, subject to Section 5.2, ABI shall have the right to amend any term or provision of this Agreement or any other Ancillary Agreement with the consent of CBI, which consent shall not be unreasonably withheld or delayed (it being agreed and understood that: (a) it would be unreasonable for CBI to withhold, delay or condition its consent if any such amendment is beneficial, or not adverse in any respect, to the rights and obligations of CBI hereunder or thereunder; (b) if the economics of this Agreement or any of the other Ancillary Agreement, as applicable, are modified or supplemented to the benefit of CBI, such changes to this Agreement or such other Ancillary Agreement shall be considered as beneficial, and not adverse, to the rights and obligations of CBI, hereunder or under such other Ancillary Agreement; and (c) it would be reasonable for CBI to withhold, delay or condition its consent if any such amendment would be materially adverse to the lenders and other Persons providing the Financing). For the avoidance of doubt, if there is any conflict between the terms of this Section 1.7 and the terms of Section 5.2, the terms of Section 5.2 shall govern.

## ARTICLE II
## REPRESENTATIONS AND WARRANTIES OF ABI

Except as set forth in the ABI Disclosure Letter, ABI represents and warrants as of the date hereof and as of the Closing (or if specified as of a different date, on such date), as follows:

2.1 Corporate Status. ABI is a legal entity duly organized or formed, validly existing and in good standing, under the laws of its jurisdiction of organization.

2.2 Authority Relative to Agreement. ABI has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and, at the Closing, to consummate the other transactions contemplated hereby, including, but not limited to, causing the Companies' shareholders to sell the Shares to the Buyer Parties to be designated by CBI. The execution and delivery of this Agreement by ABI and the consummation by ABI of the other transactions contemplated hereby have been duly and validly authorized by all necessary corporate action, and no other corporate proceedings on the part of ABI are necessary to authorize the execution and delivery of this Agreement or to consummate the other transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by ABI and, assuming the due authorization, execution and delivery by CBI, this Agreement constitutes a legal, valid and binding obligation of ABI, enforceable against it in

accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar laws of general applicability relating to or affecting creditor's rights, and to general equitable principles). As of the Closing, the transfer of the Shares, directly or indirectly, by Grupo Modelo to the Buyer Parties, as designated by CBI, shall have been duly and validly authorized by all necessary corporate action, and no other corporate proceeding on the part of ABI shall be necessary to authorize the consummation of such transfer.

2.3 No Conflicts. The execution and delivery of this Agreement by ABI, the performance of its obligations hereunder and the consummation of the transactions contemplated hereby, will not (a) result in any violation of the Organizational Documents of ABI or (b) subject to receipt of the ABI Required Approvals, conflict with or violate any Law or Governmental Order applicable to ABI.

## ARTICLE III
## REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANIES

Except as set forth in the ABI Disclosure Letter, ABI represents and warrants to the Buyer Parties as of the date hereof and as of the Closing Date (or if specified as of a different date, on such date), as follows:

3.1 Corporate Status, Etc .

(a) Organization and Qualification. Each Company is a corporation or other legal entity duly organized or formed, and validly existing under the Laws of its jurisdiction of organization or formation. Each Company has the requisite corporate, partnership, limited liability company or similar power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as it is now being conducted, except where the failure to have such power, authority and governmental approvals (i) has not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect and (ii) would not reasonably be expected to prevent or materially delay consummation of the transactions contemplated hereby. Each Company is duly qualified or licensed as a foreign corporation or other legal entity to do business, and is in good standing (to the extent applicable), in each jurisdiction in which the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except for such failures to be so qualified or licensed or in good standing as (i) has not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect and (ii) would not reasonably be expected to prevent or materially delay the ability of ABI to consummate the transactions contemplated hereby.

(b) Organizational Documents. ABI has made available to CBI complete and correct copies of the Organizational Documents of each Company, each as in effect or adopted on the date hereof. The Organizational Documents of each Company are in full force and effect. Each Company is not in violation of any provision of its Organizational Documents, except as (i) has not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect and (ii) would not reasonably be expected to prevent or materially delay the ability of ABI to consummate of the transactions contemplated hereby.

3.2 Capitalization; Ownership of Shares; Foreign Investment.

(a) As of the date hereof, the authorized capital stock of the CCC Company consists of (i) 10,000 shares of Fixed Capital Series "A" capital stock, no par value, and (ii) 3,622,050,000 shares of Variable Capital Series "B" capital stock, no par value, of which 3,622,060,000 shares, which constitute the CCC Company Shares, are issued and outstanding. The CCC Company Shares constitute the only issued and outstanding shares of capital stock of the CCC Company, have been duly authorized and are validly issued, fully paid and non-assessable, and not subject to preemptive rights. Except as set forth above, there are no issued and outstanding securities, rights or obligations which are convertible into, exchangeable for, or exercisable to acquire any capital stock or other equity securities of the CCC Company. At Closing, foreign investment will exceed 49% of the capital of each Company, and thus no authorization from the Mexican National Commission on Foreign Investment is necessary for the sale of the Shares as set forth in this Agreement.

(b) As of the date hereof, the authorized capital stock of the Servicios Company consists of (i) 50,000 shares of Fixed Capital Series "A" capital stock, no par value, and (ii) 4,100,000 shares of Variable Capital Series "B" capital stock, no par value, of which 4,150,000 shares, which constitute the Servicios Company Shares, are issued and outstanding. The Servicios Company Shares constitute the only issued and outstanding shares of capital stock of the Servicios Company, have been duly authorized and are validly issued, fully paid and non-assessable, and not subject to preemptive rights. Except as set forth above, there are no issued and outstanding securities, rights or obligations which are convertible into, exchangeable for, or exercisable to acquire any capital stock or other equity securities of the Servicios Company.

(c) The sale and delivery of the Shares as contemplated by this Agreement are not subject to any preemptive right, right of first refusal or other right or restriction. Grupo Modelo and/or one of its direct or indirect Subsidiaries has good and valid title to, all of the Shares, free and clear of any Liens (other than Share Permitted Liens). No party other than Grupo Modelo and/or one of its direct or indirect Subsidiaries has any record or beneficial interest in the Shares. Except as provided under this Agreement, no Person has any right (whether by Law, preemptive or contractual) to purchase or acquire the Shares or any portion thereof or any securities of the CCC Company or the Servicios Company.

3.3 No CCC Company or Servicios Company Subsidiaries. Neither Company has any Subsidiaries, and neither Company owns any shares of capital stock of, or any equity interest of any nature in, any other Person. Neither Company has agreed nor is obligated to make, and neither Company is bound by, any Contract under which it may become obligated to make, any future investment in or capital contribution to any other Person.

3.4 Agreements with Respect to CCC Company Securities and Servicios Company Securities. There are no, and neither Company is bound by or subject to any, (a) preemptive or other outstanding rights, subscriptions, options, warrants, conversion, put, call, exchange or other rights, agreements, commitments, arrangements or understandings of any kind pursuant to which such Company, contingently or otherwise, is or may become obligated to offer, issue, sell, purchase, return or redeem, or cause to be offered, issued, sold, purchased, returned or redeemed, any securities of the CCC Company Securities or the Servicios Company

Securities, as applicable; (b) stockholder agreements, voting trusts, proxies or other agreements or understandings to which a Company is a party or to which a Company is bound relating to the holding, voting, sale, purchase, redemption or other acquisition of CCC Company Securities or the Servicios Company Securities, as applicable; or (c) agreements, commitments, arrangements, understandings or other obligations to declare, make or pay any dividends or distributions, whether current or accumulated, or due or payable, on any CCC Company Securities or Servicios Company Securities, as applicable. Except for this Agreement, neither Company is, nor is obligated to become, a party to any Contract for the sale of or is otherwise obligated to sell, transfer or otherwise dispose of the CCC Company Securities or the Servicios Company Securities, as applicable.

3.5 Material Contracts. ABI has made available to CBI true, correct and complete copies of all Material Contracts, together with any amendments, supplements or modifications to such Material Contracts. All Material Contracts are identified in Section 3.5 of the ABI Disclosure Letter. Each Material Contract is in full force and effect and is a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms. There are no defaults or violations, or written claims of defaults or violations, by the Company under any Material Contract or, to ABI's Knowledge, any other party thereunder. No Material Contract is so unusual or burdensome as in the foreseeable future would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect after the Closing Date.

3.6 No Conflict; Required Filings and Consents. (a) The consummation of the transactions contemplated by this Agreement by ABI will not, (i) conflict with or violate the Organizational Documents of each Company, (ii) assuming the consents, approvals, authorizations and waivers specified in Section 3.6(b) and the ABI Required Approvals have been received and any required waiting periods relating to the foregoing have expired, and any condition precedent to such consent, approval, authorization or waiver has been satisfied, conflict with or violate any Law applicable to the Companies or by which any property or asset of a Company is bound or affected, or (iii) result in any breach of, or constitute a default (with or without notice or lapse of time, or both) under, or give rise to any right of termination, amendment, acceleration or cancellation of any Material Contract or material Permit to which a Company is a party, or result in the creation of a Lien, upon any of the properties or assets of a Company, other than, in the case of clauses (ii) and (iii), any such violations, conflicts, breaches, defaults, rights or Liens that (1) have not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, and (2) would not reasonably be expected to prevent or materially delay ABI's ability to consummate the transactions contemplated hereby.

(b) The consummation of the transactions contemplated by the Agreement by ABI will not, require any consent, approval, authorization, waiver or permit of, or filing with or notification to, any Governmental Authority, other than (i) the approvals set forth in Section 3.6(b) of the ABI Disclosure Letter (the "*ABI Required Approvals*"), (ii) any applicable Antitrust Laws, (iii) any applicable Laws related to alcoholic beverages, and (iv) where the failure to obtain such consents, approvals, authorizations, waivers or permits, or to make such filings or notifications, (1) has not had, and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect and (2) would not reasonably be expected to prevent or materially delay the ability of ABI to consummate the transactions contemplated hereby.

3.7 Companies Compliance with Laws.

(a) Neither Company is in conflict with, or in default or violation of, any applicable Laws, except for any such conflicts, defaults or violations that (i) have not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect and (ii) would not reasonably be expected to prevent or materially delay the ability of ABI to consummate the transactions contemplated hereby. Neither Company has received, at any time since December 31, 2011, any notice or other communication (whether oral or written) from any Governmental Authority or any other Person regarding any actual, alleged, possible, or potential violation of, or failure to comply with, any Laws in any material respect, which failure remains uncured.

(b) Since December 31, 2011, neither Company has nor, to ABI's Knowledge, has any Person acting on behalf of a Company, directly or indirectly, made, offered or authorized any unlawful or improper payment of money or anything else of value to any government official, any government political party or official thereof, or any candidate for government political office, for the purpose of:

(i) influencing any act or decision of such government official in their official capacity, in order to assist in obtaining or retaining business, or directing business to any third party;

(ii) securing an improper advantage, including securing any license, permit, permission or avoiding or minimizing any Tax, levy, fine or penalty; or

(iii) inducing such government official or other Person to use their influence to affect or influence any act or decision of a Governmental Authority in order to assist the Company or any Person in obtaining or retaining business, or directing business to any third party.

For purposes of this provision, the term "government official" means any officer or employee of any Governmental Authority or any Person acting in an official capacity for or on behalf of any such Governmental Authority or any employee of any state owned or state controlled enterprise, or party to whom a payment is made. To the extent any payment has been made in Mexico, the unlawfulness or improperness of such payment shall be determined exclusively in regards to Mexican Law as in effect when the payment was made.

3.8 Financial Information. Section 3.8 of the ABI Disclosure Letter sets forth the unaudited balance sheet of each Company for the twelve month period ending as of December 31, 2012 and such Company's results of operations for the period then ended (collectively, the "*Financial Information").* The Financial Information has been prepared from, and is consistent with, the books and records of the Company, and has been prepared in accordance with IFRS. The Financial Information fairly presents in all material respects the financial position and the results of operations of each Company as of the times and for the periods referred to therein, subject only to ordinary non material audit adjustments consistent with prior years. EBITDA is equal to or greater than Three Hundred Ten Million Dollars ($310,000,000).

3.9 Absence of Certain Changes or Events. Since December 31, 2012, (i) the business of the Company has been conducted in the ordinary course of business consistent with past practice and (ii) there has not been any event, development or state of circumstances that has had or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

3.10 No Undisclosed Liabilities. Since December 31, 2012, except for liabilities (whether or not accrued, contingent or otherwise) that (i) were incurred in the ordinary course of business consistent with past practice; (ii) are included in the Financial Information; or (iii) are set forth in Section 3.10 of the ABI Disclosure Letter, there are no liabilities of either Company, whether or not accrued, contingent or otherwise; provided, however, that as of the Closing in no event shall there be any liabilities of the Company for indebtedness for borrowed money.

3.11 Absence of Litigation. There is no claim, action, proceeding or investigation, pending or threatened against a Company, or any of its properties or assets, at law or in equity, and there are no Governmental Orders, before any arbitrator or Governmental Authority, in each case that (a) has had or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect or (b) alleges a material violation of a criminal Law, in the case of clause (b), as of the date hereof. As of the date hereof, there is no claim, action, proceeding or, to the Knowledge of ABI or each Company, investigation, pending or, to the Knowledge of ABI or each Company, threatened against a Company, or any the Companies' respective properties or assets, at law or in equity, and there are no Governmental Orders, before any arbitrator or Governmental Authority, in each case as would prevent or materially delay the ability of ABI to consummate the transactions contemplated hereby.

3.12 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Companies from CBI or its Affiliates.

3.13 Affiliate Transactions. Except for agreements, arrangements or other legally binding understandings that may be terminated by a Company without penalty or premium, as of the date hereof, neither Company is a party to any agreement, arrangement or other legally binding understanding (whether oral or written) (including any purchase, sale, lease, investment, loan, service or management agreement) with any director or executive officer of such Company that is reasonably likely to result in a future payment to or from such Company.

3.14 Taxes. Except as have not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect:

(a) All material Tax Returns required by applicable Law to be filed with any Taxing Authority by, or on behalf of, a Company have been duly filed when due (including extensions) and such Tax Returns are true and complete in all material respects;

(b) Each Company has duly and timely paid or has duly and timely withheld and remitted to the appropriate Taxing Authority all material Taxes due and payable or required by applicable Law to be withheld and remitted or, where payment is being contested in good faith pursuant to appropriate procedures, has established an adequate reserve in accordance with either IFRS or GAAP as appropriate;

(c) There are no material Liens for Taxes upon any property or assets of a Company except for Permitted Liens; and

(d) There are no audit proceedings pending with respect to a Company in respect of any material Tax;

This Section 3.14 contains the sole and exclusive representations and warranties regarding Tax matters, liabilities or obligations or compliance with Laws relating thereto.

3.15 Plant Property . (a) Title. Except for Permitted Liens and except as would not have or reasonably be expected to have more than a *de minimis* adverse effect on the CCC Company: (i) the CCC Company has good and marketable title to the Plant Property free from any Liens, (ii) the CCC Company has all rights, privileges and easements appurtenant to such Plant Property, (iii) the Plant Property is not subject to any rights of any other Person and (iv) the Plant Property has free and unimpeded vehicular and pedestrian access to a dedicated public way via a dedicated public way or Appurtenant Easements (defined below).

(b) Permits. Section 3.15(b)(i) of the ABI Disclosure Letter contains a complete list of all material Permits, under which the CCC Company is operating the Piedras Negras Plant or the Plant Property is bound, which list of Permits also represents all such material governmental or regulatory licenses, memberships, approvals, variances, permits, consents, orders, decrees, notifications and other compliance requirements that are necessary for the operation of the Plant Property as conducted as of the date of this Agreement and as will be conducted on the Closing Date and, to the Knowledge of ABI, as necessary to implement and effect the Future Expansion. Each Permit the CCC Company has obtained as of the date of this Agreement is valid and existing under all applicable Laws and is in full force and effect, and in final, non-appealable form. The CCC Company is not in breach of or default under, nor has any event occurred that (immediately or upon the giving of notice or the passage of time or both) would constitute a default by the CCC Company under, any of such Permits. The CCC Company has not violated or failed to hold any valid and effective material Permits required by applicable Law with respect to the Plant Property. No proceeding is pending or, the Knowledge of ABI, threatened, to revoke, modify or materially limit any Permit. The Plant Property is free from any use or occupancy restrictions, except those imposed by applicable subdivision and zoning laws, ordinances and regulations which permit the current use of the Plant Property, and from all special taxes or assessments.

(c) Plant Property Compliance with Laws. From the period beginning on December 31, 2011, the Plant Property and the CCC Company's use and operation thereof complies in all material respects with all (i) Laws applicable to the Plant Property, including, without limitation, applicable building, health, fire, safety, subdivision, zoning and other similar regulatory Laws, and (ii) insurance requirements applicable to any Piedras Negras Plant. To the

Knowledge of ABI, the CCC Company has not received, nor is there, any notice of any non-compliance with any Laws regarding the Plant Property that have not been resolved. The present use and operation of the Plant Property, and to the Knowledge of ABI, the Future Expansion, does not constitute a non-conforming use and is not subject to a variance.

(d) Eminent Domain. Neither the whole nor any portion of the Plant Property is subject to any Governmental Order to be sold nor, to ABI's Knowledge, is being condemned, expropriated or otherwise taken by any Governmental Authority with or without payment of compensation therefore nor has any such condemnation, expropriation or taking been proposed. To ABI's Knowledge, and as of the date hereof, there are no zoning or other land-use regulation proceedings, or any change in any applicable Laws, which could affect the use, operation or value of the Plant Property affected thereby in any material respect, and the CCC Company has not received written notice of any special assessment proceedings affecting the Plant Property which have not been resolved.

(e) Property and Equipment. The buildings, plants, structures located at the Plant Property and the Equipment are all owned by the CCC Company free and clear of all Liens (except Permitted Liens) and are structurally sound, are in good operating condition and repair, subject to normal wear and tear, and are adequate for the uses to which they are being put, and none of such buildings, plants, structures, personal property or Equipment is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost.

(f) Utilities. All water, water rights, sewer, gas, electric, communications, telephone, irrigation and drainage facilities and all other utilities required by law or for the present use and operation of the Plant Property (the "*Utilities Facilities*") are: (i) installed to the boundary lines of the Land and the Piedras Negras Plant situated thereon, (ii) connected and operating pursuant to valid Permits, (iii) adequate to service the Plant Property and to permit compliance with all applicable Laws and the present usage, and, to the Knowledge of ABI, Future Expansion of, the Piedras Negras Plant, and (iv) connected to the Piedras Negras Plant by means of one or more public or private easements extending from the Land to one or more public streets, public rights-of way or utility facilities (such public or private easements are collectively referred to herein as "*Appurtenant Easements*") or contractual rights of access granted in writing which are valid and enforceable and not revocable or otherwise terminable and are fully paid for. Neither the Plant Property nor any of the Utilities Facilities: (A) encroaches on the property of others, or (B) relies on any facilities located on other property not subject to Appurtenant Easements or contractual rights of access which are not revocable or otherwise terminable and are fully paid for. All of the Utility Facilities not located on the Land are situated within and comply with the provisions of the Appurtenant Easements or contractual rights of access which are not revocable or otherwise terminable and are fully paid for.

(g) No Commitments. The CCC Company has not committed or obligated itself in any manner whatsoever to assign or sublease the Plant Property to any Person other than as contemplated by this Agreement. The CCC Company has not committed or obligated itself in any manner whatsoever to place any encumbrance on the Plant Property or any portion thereof except for the Permitted Liens.

(h) Mechanics' or Materialmans' Liens. The CCC Company has not caused any work or improvements to be performed upon or made to any portion of the Land for which there remains any outstanding payment obligation that could result in the imposition of any Lien on the Plant Property other than Permitted Liens.

(i) Property Taxes. All taxes and assessments relating to the Plant Property and the operation of the Piedras Negras Plant, including without limitation, real property, personal, sales and excise taxes, and excepting those taxes payable in the current year which are not yet due or delinquent (i.e. which are still payable without interest or penalty) have been paid in full or will be paid in full prior to or at the Closing Date.

3.16 Inventory . All inventory (including raw materials, work-in-process, and finished goods) of the CCC Company (collectively "*Inventory*") is of a quality and quantity usable and merchantable consistent in all material respects with the past practice and the ordinary course of business of the CCC Company other than such percentage of Inventory as is obsolete or otherwise not usable or merchantable consistent with past practice, and all finished good inventory has been manufactured in compliance with applicable Laws. The quantities of each item of Inventory are reasonable in respect of the present circumstances of the CCC Company. Except for Permitted Liens and except as would not have or reasonably be expected to have more than a *de minimis* adverse effect on the CCC Company, the CCC Company has good and marketable title to the Inventory, free and clear of any Liens of any nature whatsoever.

3.17 CCC Company Employment Matters. The CCC Company does not have any employees. The CCC Company receives services from independent contractors. Section 3.17 of the ABI Disclosure Letter contains a list of the CCC Company independent contractors providing services.

3.18 Employee Benefit Plans.

(a) Section 3.18 of the ABI Disclosure Letter sets forth a true, correct and complete list of all employee benefit plans, all fringe benefit plans, and all other bonus, incentive compensation, deferred compensation, profit sharing, stock option, stock appreciation right, stock bonus, stock purchase, employee stock ownership, savings, severance, supplemental unemployment, layoff, salary continuation, retirement, pension, health, life insurance, dental, disability, accident, group insurance, vacation, holiday, sick leave, fringe benefit (statutorily required or not) or welfare plan, and any other employee compensation or benefit plan, Contract, and any trust, escrow or other agreement related thereto with respect to the Servicios Company (collectively, the "*Employee Benefit Plans*"). The Servicios Company has not made any commitment to create any additional Employee Benefit Plans or to modify or change any existing Employee Benefit Plan in any respect prior to the Closing Date, except as may be required by any change in applicable Law. A true and complete copy of each existing Employee Benefit Plan, including any amendments thereto, has been made available to CBI.

(b) Each of the Employee Benefit Plans and their administration is currently and has at all times in the past been in compliance in both form and operation with all applicable Laws and is being and has been operated in accordance with the terms and conditions of the applicable Employee Benefit Plan document(s). No event has occurred which will or could cause any such Employee Benefit Plan or any fiduciary of any such Employee Benefit Plan to fail to comply with such requirements and no notice has been issued by any Governmental Authority questioning or challenging such compliance.

(c) The Servicios Company does not maintain, nor has it ever maintained, or is obligated to provide benefits under or contributions to any Employee Benefit Plan which provides benefits to retirees or other terminated employees.

(d) There is no claim, action, proceeding or investigation, pending or, to the Knowledge of ABI, threatened against the Servicios Company arising from or relating to any Employee Benefit Plan, at law or in equity, and there are no Governmental Orders, before any arbitrator or Governmental Authority, in each case that (a) has had or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect or (b) alleges a material violation of a criminal Law, in the case of clause (b), as of the date hereof. As of the date hereof, there is no claim, action, proceeding or, to the Knowledge of ABI, investigation, pending or, to the Knowledge of ABI, threatened against the Servicios Company, and there are no Governmental Orders, before any arbitrator or Governmental Authority arising from or relating to any Employee Benefit Plan, in each case as would prevent or materially delay the ability of ABI to consummate the transactions contemplated hereby.

(e) Neither the execution of this Agreement nor the consummation of the transactions contemplated by this Agreement will result in the payment, vesting, or acceleration of any benefit under any Employee Benefit Plan.

3.19 Labor Relations Matters. There are no existing or, to the Knowledge of ABI, threatened labor strikes or labor disputes, grievances, controversies or other labor troubles affecting the Servicios Company, and, to the Knowledge of ABI, and there are no agreements with any labor unions or collective bargaining agreements of any kind to which CCC Company or the Servicios Company are parties, there is no controversy existing, pending or, to the Knowledge of ABI, threatened with any association or union or collective bargaining representative of the employees of Servicios Company. To the Knowledge of ABI, no current or former employee of the Servicios Company has any claim against the Servicios Company on account of or for (a) overtime pay, other than overtime pay for the current payroll period, (b) wages or salary (excluding current bonus accruals and amounts accruing under pension and profit sharing plans) for any period other than the current payroll period, (c) vacation or time off, other than that earned in respect of the current fiscal year, or (d) any violation of any Law relating to employment or social security matters. No claim has been made that remains outstanding for breach of any contract of employment or for services or for severance or redundancy payments or protective awards or for compensation for unfair dismissal or for failure to comply with any Law concerning employment rights or in relation to any alleged sex or race discrimination or for any other liability accruing from the termination or variation of any contract of employment or for services, nor, to the Knowledge of ABI, is any such claim threatened. To the Knowledge of ABI, the Servicios Company in compliance with all applicable Laws respecting employment practices (including, without limitation, all Laws concerning the public health and safety or worker health and safety) and is not engaged in any unfair labor practice, and there is no (x) unfair labor practice charge or complaint against the Servicios Company, (y) labor, health or safety investigation, study, audit, test, review or other analysis pending in relation to any of the Servicios Company's current operations, nor (z) representation petition respecting any of the Servicios Company's employees, pending before any Governmental Authority.

3.20 Employment Agreements and Compensation. All of the consultants or independent contractors of the Servicios Company are "at will" consultants or independent contractors. All of the employees of the Servicios Company have written employment agreements, as well as any consultant or independent contractor, and each of such agreements which are Material Contracts are set forth in Section 3.5 of the ABI Disclosure Letter. True, complete and accurate copies of all of the Servicios Company's employment or supervisory manuals, employment or supervisory policies and written information generally provided to employees (such as applications or notices) existing as of the date hereof have been made available to CBI. The Servicios Company has withheld all amounts required by Law or Contract to be withheld from the wages or salaries of, and other payments to, its employees and former employees and is not liable for any arrearages of wages, salaries or other payments to such employees or former employees or any Taxes for failure to comply with any of the foregoing.

3.21 Sole Business. The Servicios Company is not involved in any business or activity except for the business of supplying employees for the operation and maintenance of the Piedras Negras Plant and providing related human resources, benefits and insurance, compliance, and payroll services to the Piedras Negras Plant. The Servicios Company does not own any real property.

3.22 Environmental Compliance.

(a) The CCC Company's use, occupancy and operation of the Plant Property, comply in all material respects with all Environmental Laws.

(b) The CCC Company has not manufactured, recycled, released, discharged, or disposed of any Hazardous Materials, as defined below, on, under, in or about the Plant Property other than in material compliance with Environmental Laws. There are no Hazardous Materials below, on, under, in or about the Plant Property, the presence of which: (i) is a violation of any applicable Environmental Law, or (ii) requires reporting, investigation, monitoring and/or remediation under any applicable Environmental Law.

(c) The CCC Company (i) is not involved in any suit or administrative proceeding alleging any material violation by the CCC Company of any Environmental Law, (ii) has not received any written notice or request for information from any governmental agency or authority or other third party with respect to a material release or threatened release of any Hazardous Material either from the Plant Property or any facility or location to which the CCC Company sent Hazardous Materials for recycling, treatment, storage or disposal, and has not received notice of any material claim from any person or entity relating to property damage or to personal injuries from exposure to any Hazardous Material, and (iii) has not failed to timely file any material report required to be filed under all applicable Environmental Laws.

(d) ABI has made available to CBI true, correct and complete copies of all Environmental Reports. All such Environmental Reports are identified on Section 3.22(d) of the ABI Disclosure Letter.

3.23 Insurance. The Companies maintain customary and adequate policies of insurance (including, without limitation, general liability and all risk property) covering each Company and the Plant Property and any buildings, plants, structures, personal property and equipment used by the CCC Company in the conduct of its business at the Plant Property. All such policies are outstanding and in full force and effect. To the Knowledge of ABI, no insurance company which has issued a policy insuring such property has requested in writing the performance of any repairs, replacements, alterations or other work.

3.24 Government Commitments. The CCC Company has not entered into, nor is the Plant Property bound by, whether or not in writing, any Contracts with any Governmental Authority involving any public subsidies or similar grants that encumber the Plant Property in any material respect or which otherwise require a Company to reimburse or take any other similar action to compensate such Governmental Authority.

3.25 Sufficiency. The Shares, when taken together with the services to be provided under the Transition Services Agreement, the license granted by the License Agreement, the supply to be provided by the Interim Supply Agreement, and the assets, properties and rights held by the Companies to which the Shares relate, constitute all the assets, properties and rights necessary to carry on the business as currently conducted by the CCC Company at the Plant Property in all material respects. The Piedras Negras Plant has the functional capability to brew, bottle, package and store not less than the Current Production, of a quality that complies in all material respects with applicable Law and is as good as or better than the quality of Beer delivered to Crown Imports LLC under that certain Importer Agreement dated as of January 2, 2007, by and between Extrade II, S.A. de CV and Crown Imports LLC over the twelve (12) months prior to the Closing Date. Except for the ownership and operation of the Piedras Negras Plant, and the sale of Beer produced therefrom, the CCC Company does not engage in or otherwise own or operate any other business lines or activities.

3.26 Future Expansion. To the Knowledge of ABI, the Land is presently comprised of sufficient additional acreage and, as of the Closing Date, has the necessary water, sewer, gas, electric, communications, telephone, irrigation, drainage and wastewater facilities and all other utilities required by Law and otherwise sufficient to allow for the Future Expansion (assuming that sufficient capital expenditures shall have been made, and the necessary Permits shall have been obtained, in order to give effect to the Future Expansion). To the Knowledge of ABI, the construction and development required to implement the Future Expansion will not cause or result in any material interruption nor would it reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect on the Current Production.

3.27 No Other Representations or Warranties. Except for the representations and warranties contained in Article II and this Article III, none of ABI, the Companies or any other person on behalf of the Companies or ABI makes any express or implied representation or warranty with respect to ABI or the Companies, including with respect to any other information provided to CBI in connection with the transactions contemplated hereby.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF
CBI

CBI represents and warrants to ABI as of the date hereof and as of the Closing Date (or if specified as of a different date, on such date), as follows:

4.1 Organization and Qualification; Subsidiaries. Each Buyer Party is a corporation duly organized, validly existing and in good standing under the Laws of its jurisdiction of formation or organization and has the requisite corporate power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as it is now being conducted, except where the failure to have such power, authority and governmental approvals has not had and would not reasonably be expected to, individually or in the aggregate, prevent or materially delay the ability of a Buyer Party to consummate the transaction contemplated by this Agreement (a "*CBI Material Adverse Effect*"). Each Buyer Party is duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction in which the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except for such failures to be so qualified or licensed and in good standing as have not had and would not reasonably be expected to have, individually or in the aggregate, a CBI Material Adverse Effect.

4.2 CBI Organizational Documents. CBI has made available to ABI a complete and correct copy of the Organizational Documents of each Buyer Party, each as amended to date. The Organizational Documents of each Buyer Party are in full force and effect. Each Buyer Party is not in violation of any provision of the Organizational Documents of such Buyer Party, except as has not had and would not reasonably be expected to have, individually or in the aggregate, a CBI Material Adverse Effect.

4.3 Authority Relative to Agreement. Each Buyer Party has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the other transactions contemplated hereby. The execution and delivery of this Agreement by each Buyer Party and the consummation by such Buyer Party of the other transactions contemplated hereby have been duly and validly authorized by all necessary corporate action, and no other corporate proceedings on the part of the Buyer Parties are necessary to authorize the execution and delivery of this Agreement or to consummate the other transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by each Buyer Party and, assuming the due authorization, execution and delivery by ABI, this Agreement constitutes a legal, valid and binding obligation of each Buyer Party, enforceable against each Buyer Party in accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar laws of general applicability relating to or affecting creditor's rights, and to general equitable principles).

4.4 No Conflict; Required Filings; Consents.

(a) The execution and delivery of this Agreement by each Buyer Party does not, and the performance of this Agreement by each Buyer Party will not, (i) conflict with or violate the Organizational Documents of such Buyer Party, (ii) assuming the consents, approvals, authorizations and waivers specified in Section 4.4(b) have been received and any required waiting periods have expired, and any condition precedent to such consent, approval, authorization, or waiver has been satisfied, conflict with or violate any Law applicable to the Buyer Parties or by which any property or asset of a Buyer Party is bound or affected or (iii) result in any breach of, or constitute a default (with or without notice or lapse of time, or both) under, or give rise to others any right of termination, amendment, acceleration or cancellation of any material Contract to which a Buyer Party is a party, or result in the creation of a Lien, upon any of the properties or assets of any of the Buyer Parties, other than, in the case of clauses (ii) and (iii), any such violations, conflicts, defaults, rights or Liens that have not had and would not reasonably be expected to have, individually or in the aggregate, a CBI Material Adverse Effect.

(b) The execution and delivery of this Agreement by CBI does not, and the consummation by CBI of the transactions contemplated by this Agreement will not, require any consent, approval, authorization, waiver or permit of, or filing with or notification to, any Governmental Authority, other than (i) any applicable Antitrust Laws, (ii) any applicable Laws related to alcoholic beverages, and (iii), and except where the failure to obtain such consents, approvals, authorizations, waivers or permits, or to make such filings or notifications, (1) has not had, and would not reasonably be expected to have, individually or in the aggregate, a CBI Material Adverse Effect and (2) would not reasonably be expected to prevent or materially delay the ability of the Buyer Parties to consummate the transactions contemplated hereby.

4.5 No Additional Consents Required. No vote or other action of the holders of any class or series of capital stock of CBI is required by Law, the Organizational Documents of CBI or otherwise in order for CBI to adopt this Agreement, approve the transactions contemplated by this Agreement and consummate the transactions contemplated hereby.

4.6 Absence of Litigation. Other than the DOJ Action, as of the date hereof, there is no claim, action, proceeding or investigation, pending or threatened against CBI or its Subsidiaries, or any of their respective properties or assets at law or in equity, and there are no Governmental Orders, before any arbitrator or Governmental Authority that is reasonably likely to prevent, enjoin or materially delay the transactions contemplated by this Agreement.

4.7 Brokers. CBI has no liability to pay any brokerage, finder's commission, fee or similar compensation in connection with the transactions contemplated by this Agreement.

4.8 Available Funds. CBI acknowledges that its obligation to consummate the transactions contemplated by this Agreement is not and will not be subject to the receipt by CBI of any financing or the consummation of any other transaction other than the occurrence of the MIPA Transaction Closing. CBI has delivered to ABI a true, complete and correct copy of the executed definitive Second Amended and Restated Interim Loan Agreement, dated as of February 13, 2013, among Bank of America, N.A., JPMorgan Chase Bank N.A. and CBI (collectively, the "*Financing Commitment*"), pursuant to which, upon the terms and subject to the conditions set forth therein, the lenders party thereto have committed to lend the amounts set forth therein (the "*Financing*") for the purpose of funding the transactions contemplated by this Agreement and the MIPA Transaction. CBI has delivered to ABI true, complete and correct

copies of the fee letter and engagement letters relating to the Financing Commitment (redacted only as to the matters indicated therein). The Financing Commitment has not been amended or modified prior to the date of this Agreement, and, as of the date hereof, the respective commitments contained in the Financing Commitment have not been withdrawn, terminated or rescinded in any respect. There are no agreements, side letters or arrangements to which CBI or its Affiliates is a party relating to the Financing Commitment that could affect the availability of the Financing. The Financing Commitment constitutes the legally valid and binding obligation of CBI and, to the knowledge of CBI, the other parties thereto, enforceable in accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar Laws of general applicability relating to or affecting creditors' rights, and by general equitable principles). The Financing Commitment is in full force and effect and has not been withdrawn, rescinded or terminated or otherwise amended or modified in any respect, and no such amendment or modification is contemplated. Neither CBI nor any of its Affiliates is in breach of any of the terms or conditions set forth in the Financing Commitment, and assuming the accuracy of the representations and warranties set forth in Articles II and III and performance by ABI of its obligations under this Agreement and the MIPA, as of the date hereof, no event has occurred which, with or without notice, lapse of time or both, would reasonably be expected to constitute a breach, default or failure to satisfy any condition precedent set forth therein. As of the date hereof, no lender has notified CBI of its intention to terminate the Financing Commitment or not to provide the Financing. There are no conditions precedent or other contingencies related to the funding of the full amount of the Financing, other than as expressly set forth in the Financing Commitment. The aggregate proceeds available to be disbursed pursuant to the Financing Commitment, together with available cash on hand and availability under ABI's existing credit facilities, will be sufficient for CBI to pay the Purchase Price and all related fees and expenses on the terms contemplated hereby in accordance with the terms of this Agreement and all amounts due under the MIPA and all related fees and expense on the terms contemplated by the MIPA in accordance with the terms of the MIPA. As of the date hereof, CBI has paid in full any and all commitment or other fees required by the Financing Commitment that are due as of the date hereof. As of the date hereof, CBI has no reason to believe that CBI and any of its applicable Affiliates will be unable to satisfy on a timely basis any conditions to the funding of the full amount of the Financing, or that the Financing will not be available to CBI on the Closing Date.

4.9 Investment Intent. Each relevant Buyer Party is acquiring the Shares for its own account, for the purpose of investment only and not with a view to, or for sale in connection with, any distribution thereof in violation of applicable securities Laws.

4.10 No Reliance. CBI acknowledges and agrees that the only representations, warranties, covenants and agreements made by ABI in this Agreement are the only representations, warranties, covenants and agreements made with respect to the transactions contemplated by this Agreement and CBI has not relied upon any other representations or other information made or supplied by or on behalf of ABI or the Companies or by any Affiliate or representative of ABI or the Companies.

ARTICLE V
COVENANTS

5.1 Conduct of Business Prior to Closing; Inventory at Closing/. During the period from the date hereof through the Closing, except (i) as may be required by Law, (ii) as may be agreed to in writing by CBI, (iii) as may be expressly permitted or contemplated by this Agreement, (iv) any capitalization of a Company's intercompany debt or (v) as set forth in Section 5.1 of the ABI Disclosure Letter, ABI shall use its reasonable best efforts to (1) cause the CCC Company to maintain, (a) its inventory of raw materials, works in process, finished goods, containers, packaging materials and all other inventory of any kind or nature, wherever located, with respect to the operation of the business of the CCC Company and (b) its cash management practices, including payments of accounts payable and collections of accounts receivable, in each case, in the ordinary course of business consistent with past practice, in the case of each of (a) and (b) after taking into account ordinary seasonality in the business of the Piedras Negras Plant in relation to the anticipated date of Closing, current capacity at the Piedras Negras Plant and volume and mix of Beer then being manufactured, bottled and packaged at such Piedras Negras Plant, and all orders for products based on forecasts delivered by Crown Imports LLC under then existing contractual import obligations and (2) cause the Servicios Company to operate in the ordinary course of business consistent with past practice.

5.2 Antitrust Approval. Each of ABI and CBI shall use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and assist and cooperate with each other in doing, all things necessary, proper or advisable (subject to applicable Law) to consummate and make effective the transactions contemplated by this Agreement. In furtherance and not in limitation of the foregoing, each of ABI and CBI shall use its reasonable best efforts to (i) prepare and file all filings, notices, notifications, petitions, requests, statements, *folletos informativos*, registrations and updates to registrations, submissions of information, applications and other documents with Governmental Authorities necessary or advisable to consummate the transactions contemplated by this Agreement; (ii) comply promptly with any request of any Governmental Authority for additional information, documents or other materials, including, without limitation, participating in meetings with officials of such Governmental Authority during the course of its review of the transactions contemplated hereby; (iii) with respect to CBI, support ABI and Grupo Modelo in their response to requests for information from any Governmental Authority in connection with its investigation of the transactions contemplated hereby and/or the GM Transaction; and (iv) otherwise assist in facilitating antitrust approval of the transactions contemplated by this Agreement. To the extent permitted by the relevant Governmental Authority, CBI and ABI shall (a) allow CBI (including its outside counsel) and ABI (including its outside counsel) to attend and participate in all meetings, discussions and other communications with all Governmental Authorities in connection with the review of the transactions contemplated by this Agreement, (b) promptly and fully inform CBI, ABI and Grupo Modelo of any written or material oral communication received from or given to any Governmental Authority relating to the transactions contemplated herein, and provide them with copies of any such written communication, (c) permit CBI, ABI and Grupo Modelo to review in advance, to the extent practicable with reasonable time and opportunity to comment and consider in good faith the views of the others with respect thereto, any proposed submission, correspondence or other communication by CBI to any Governmental Authority relating to the transactions contemplated herein, and (d) provide reasonable prior notice to and, to the extent

practicable, consult with CBI, ABI and Grupo Modelo in advance of any meeting, material conference or material discussion with any Governmental Authority relating to the transactions contemplated herein (and allow ABI to attend and participate in such meeting, conference or discussion). If reasonably requested by ABI or Grupo Modelo, and if permitted to do so by the relevant Governmental Authority, CBI and ABI shall, upon reasonable notice, cause an informed representative to attend any one or more meetings, either by phone or in person, before a Governmental Authority in support of approval of the transactions contemplated by this Agreement. Without limiting in any respect the parties' obligations contained in this Section 5.2, in the event that the parties do not agree with respect to strategy or tactics in connection with a Governmental Authority's review of the transactions contemplated hereby, ABI's decision shall control. Each of CBI and ABI agrees to use its reasonable best efforts to propose, negotiate, commit to and effect any consent decree, settlement, remedy, undertaking, commitment, action or agreement, including any amendment or other revision to this Agreement (each, a "*Remedial Action*"), as may be required in connection with a Governmental Authority's review of the transactions contemplated hereby; provided that any such Remedial Action (1) is conditioned on the consummation of the transactions contemplated by this Agreement and (2) does not, individually or in the aggregate, have a material adverse effect on such party as measured against the business of CBI (it being agreed and understood that, the parties shall cooperate in good faith in connection with any Remedial Action to attempt to preserve the economic benefits reasonably expected to be achieved by each of the parties hereto, but shall in any event effect any such Remedial Action required pursuant to this sentence notwithstanding anything in this parenthetical). Notwithstanding anything to the contrary contained in this Section 5.2 or elsewhere in this Agreement, a party shall not have any obligation under this Agreement to take any of the following actions or commit to take any of the following actions if such party, in good faith, reasonably expects such action to have more than a *de minimis* adverse effect on the business or interests of such party: (x) to sell, dispose of or transfer or cause any of its Subsidiaries to sell, dispose of or transfer any assets; (y) to discontinue or cause any of its Subsidiaries to discontinue offering any product or service; or (z) to hold separate or cause any of its Subsidiaries to hold separate any assets or operations (either before or after the Closing Date). Notwithstanding anything to the contrary in this Agreement, the parties hereby acknowledge and agree that none of ABI or any of its Affiliates has any obligation to the Buyer Parties under this Agreement or otherwise to consummate, or seek to receive any consent required to consummate, the transactions contemplated by the GM Transaction Agreement and the Buyer Parties shall not have any rights under, and are not intended third party beneficiaries of, the GM Transaction Agreement.

5.3 Other Regulatory Matters. Except as otherwise provided in Section 5.2, the parties hereto shall proceed diligently and in good faith and shall use their reasonable best efforts to do, or cause to be done, all things necessary, proper or advisable to, as promptly as practicable, (a) obtain all Permits from, make all filings with and give all notices to Governmental Authorities, including the Alcoholic Beverage Authorities or any other Person required to consummate the transactions contemplated by this Agreement, and (b) provide such other information and communications to such Governmental Authorities or other Person as the other party or such Governmental Authorities or other Person may reasonably request.

5.4 Notification of Certain Matters. Subject to compliance with applicable Law or as required by any Governmental Authority, CBI and ABI shall notify the other promptly in writing of, and contemporaneously shall provide the other with true and complete copies of any and all material information or documents relating to, and shall use reasonable best efforts to cure before the Closing, any event, transaction or circumstance occurring after the date of this Agreement that causes or is reasonably expected to cause a failure of any condition to the other party's obligations to consummate the transactions contemplated hereby. No notice given pursuant to this Section 5.4 shall have any effect on the representations, warranties, covenants or agreements contained in this Agreement for purposes of determining satisfaction of any condition contained herein or the rights of the parties hereunder.

5.5 Access to Information.

(a) To the extent permitted by applicable Laws and subject to each party's confidentiality obligations and the preservation of the attorney-client privilege, from the date hereof until the Closing Date, each of the parties shall furnish to the other party, its counsel, financial and tax advisors, auditors and other authorized representatives such financial, tax and operating data and other information as such Persons may reasonably request and instruct the employees, counsel, financial and tax advisors, auditors and other authorized representatives of such party and its Affiliates to cooperate with such other party and its Affiliates in its investigation of the other party and its Subsidiaries and, in the case of CBI, the Companies. Any investigation pursuant to this Section 5.5 shall be conducted in such manner as not to interfere unreasonably with the conduct of the business of the other party and its Affiliates and, if applicable, the Companies.

(b) Prior to the Closing, ABI shall use reasonable best efforts to provide to CBI, including by using its reasonable best efforts to cause Grupo Modelo and its subsidiaries to provide, all cooperation reasonably requested by CBI that is customary or necessary in connection with registered or Rule 144A offerings of debt securities in the United States and outside the United States in reliance on Regulation S under the Securities Act (the "*Debt Financing*"), including:

(i) using its reasonable best efforts to provide the Required Information no later than 30 days after the date of this Agreement (for purposes hereof "*Required Information*" means carve-out financial statements of CCC Company and Servicios Company on a combined basis in accordance with U.S. GAAP and as required by applicable provisions of Regulations S-X and S-K promulgated under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (including any applicable rule of the New York Stock Exchange), as of December 31, 2012 and December 31, 2011 and for each of the years ending December 31, 2012, 2011 and 2010 accompanied by an audit opinion of PWC that is not qualified as to scope),

(ii) using its reasonable best efforts to prepare and furnish to CBI as promptly as practicable all Required Information and all other available pertinent information and disclosures relating to the CCC Company and Servicios Company (including their businesses, operations, financial projections and prospects) as may be reasonably requested by CBI in connection with the preparation of offering memorandum, private placement memorandums or prospectuses (each an "*Offering Document*") relating to the Debt Financing.

CBI shall be responsible for the costs and expenses incurred in connection with any such preparation, review and audit and shall promptly reimburse ABI or Grupo Modelo therefore.

(c) For a period of one year after the Closing Date, upon the request of CBI, ABI: (i) during ordinary business hours and upon reasonable notice, shall, or shall cause its Affiliates to, provide to CBI and its representatives reasonable access to the books, records and employees of ABI and its Affiliates pertaining to the Companies and required for CBI to revise the Financial Information, and any subsequent consolidated financial statements of the Companies in connection with the preparation of selected and summary financial data and pro forma financial information regarding the businesses of the Companies for all periods required by the applicable provisions of Regulation S-X and S-K promulgated under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and required to be prepared by CBI under such Regulations; and (ii) upon reasonable notice, ABI shall, or shall cause its Affiliates to, use their respective reasonable best efforts to cause the officers, employees, representatives, agents and advisors of ABI, or its Affiliates, as applicable, to (A) as necessary, assist with CBI's preparation of revised financial statements and disclosure therein, (B) execute such certifications and documents, based on their actual knowledge, as are customary and required of acquired businesses, are reasonably requested by CBI, and are necessary for CBI's, or any Affiliate of CBI's, compliance with applicable Law, including, without limitation, the rules and regulations promulgated by the New York Stock Exchange and the Securities and Exchange Commission applicable to the acquisition of material assets in the United States, and (C) use reasonable best efforts to facilitate cooperation of ABI's outside independent public accountants to deliver such consents and comfort as are customary under applicable accounting standards, as promptly as reasonably practicable, but in no event later than forty-five (45) days after receipt of a request by CBI therefor. CBI shall be responsible for the costs and expenses incurred in the connection with such preparation, review and audit. ABI agrees that CBI may use, and ABI shall use its reasonable best efforts to, deliver such consents and shall authorize ABI's outside independent public accountants to deliver such consents as may reasonably be requested by CBI for the use of, the financial and other information provided pursuant to this Section 5.5(b), or any other financial information provided by, or on behalf of ABI to CBI specifically for the following purposes: in any registration statement, prospectus, offering memorandum, Form 8-K or other public filing, at any time on and after the date of this Agreement. CBI waives any rights against, and fully releases and discharges, ABI from any claims for indemnification it may have or acquire solely for any breach of ABI's representations and warranties contained in Section 3.8 that result from ABI's compliance with this Section 5.5(b).

5.6 Publicity. ABI and CBI shall consult with each other prior to issuing any press releases regarding the transactions contemplated by this Agreement and any other press releases or otherwise making public announcements with respect to the transactions contemplated by this Agreement, except as may be required by Law or by obligations pursuant to any listing agreement with or rules of any applicable securities exchange.

5.7 ABI Right of First Offer. On and after the Closing Date:

(a) In the event that CBI or any Subsidiary thereof, in any tier, determines to enter into an agreement providing for, or otherwise regarding, directly or indirectly, the distribution or sale (including resale) of Non-GM Beer in Mexico, CBI shall, before entering, or allowing such Subsidiary to enter, into any such agreement, notify ABI in writing of its decision to do so. For a period of 60 days following ABI's receipt of such notice, CBI and ABI shall discuss in good faith the possibility of ABI or an Affiliate thereof serving as the exclusive distributor of such Non-GM Beer in Mexico.

(b) If, by the end of such 60-day period, the parties (or their respective Affiliates) have not entered into an agreement providing for the exclusive distribution and sale of such Non-GM Beer in Mexico by ABI or a Subsidiary thereof, in any tier, then CBI for a period of 90 days immediately following the end of such 60-day period may attempt to find another Person to distribute and sell such Non-GM Beer in Mexico on terms and conditions that are no more favorable to such other Person (taken as a whole) than the last set (if any) of terms and conditions that were offered by CBI to ABI and rejected by ABI and should CBI not find such Person within such 90 day period then CBI shall again be subject to the requirements of this Section 5.7; provided that CBI shall provide ABI sixty (60) days' advance written notice of such more favorable terms and a good faith opportunity to enter into a distribution or sale agreement on such terms.

5.8 CBI Right of First Offer. On and after the Closing Date:

(a) In the event that ABI or a Subsidiary thereof, in any tier, determines to sell the Glass Plant to any Person (other than a Subsidiary or Affiliate of ABI) other than CBI or any Subsidiary thereof, in any tier, ABI shall, before entering into any such agreement, notify CBI in writing of its decision to do so. For a period of 90 days following ABI's receipt of such notice, the parties shall discuss in good faith the possibility of CBI or an Affiliate thereof acquiring the Glass Plant.

(b) If, by the end of the 90-day period specified in Section 5.8(a), the parties (or their respective Affiliates) have not entered into an agreement providing for sale of the Glass Plant to CBI or a Subsidiary thereof, in any tier, then ABI for a period of 90 days immediately following the end of such 90-day period may attempt to find another Person to acquire the Glass Plant on terms and conditions that are no more favorable to such other Person (taken as a whole) than the last set (if any) of terms and conditions that were offered by ABI to CBI and rejected by CBI (an agreement on such terms and conditions with such other Person, a "*Third Party Sale Agreement*"); provided that ABI shall provide CBI sixty (60) days' advance written notice of such more favorable terms and a good faith opportunity to acquire the Glass Plant on such terms.

(c) If, at or prior to the end of the 90-day period specified in Section 5.8(b), ABI or a Subsidiary thereof, in any tier has entered into a Third Party Sale Agreement, the parties to such agreement shall have 90 days to consummate the sale of the Glass Plant commencing on the day on which such Third Party Sale Agreement was executed (provided that such period shall be extended for an additional 90 days if the parties to such Third Party Sale Agreement are awaiting antitrust approval for the transactions). In the event that the sale of the Glass Plant is not consummated within such period, then ABI shall then again be subject to the requirements of this Section 5.8.

5.9 Confidentiality. The terms of the Confidentiality Agreement are incorporated into this Agreement by reference and shall continue in full force and effect until the MIPA Transaction Closing, at which time the Confidentiality Agreement shall terminate in accordance with the MIPA. If, for any reason, the transactions contemplated by the MIPA are not consummated, the Confidentiality Agreement shall nonetheless continue in full force and effect in accordance with its terms.

5.10 Fulfillment of Conditions. Subject to the terms and conditions of this Agreement, the Buyer Parties and ABI shall cooperate with each other and use their respective reasonable best efforts to take or cause to be taken all actions, and do or cause to be done all things reasonably necessary or desirable on its part, and proceed diligently and in good faith to satisfy each condition to the other party's obligations contained in this Agreement in order to consummate and make effective the transactions contemplated by this Agreement as soon as practicable, and neither ABI nor any Buyer Party shall take any action, or fail to take any action required to be taken by it hereunder, that could be reasonably expected to result in the non-fulfillment of any such condition. In furtherance and not in limitation of the foregoing, CBI and the Buyer Parties shall use their reasonable best efforts to (a) comply promptly with any request of any Governmental Authority for additional information, documents or other materials, including, without limitation, participating in meetings with officials of such Governmental Authority during the course of its review of the transactions contemplated hereby and (b) support the other parties hereto in their response to requests for information from any Governmental Authority in connection with its investigation of the transactions contemplated hereby.

5.11 Post-Closing Cooperation. Subject to compliance with applicable Law, from and after the Closing Date, the Buyer Parties and ABI agree to (a) cooperate with each other, share information and supporting materials and documents relating to ownership of the Shares; provided, however, that access to any such information, supporting materials or documents shall be determined by taking into account, among other considerations, the competitive positions of the parties; provided, further, that any such access shall (i) be under the supervision of such party's designated Representatives and (ii) be in such a manner as not to unreasonably interfere with any of the businesses or operations of such party or their respective Affiliates; provided, further, that all requests for any such access made pursuant to this Section 5.11 shall be directed to such party and its designated representatives; and (b) provide the other parties with such assistance as may reasonably be requested, at the requesting party's expense, in connection with the preparation of any Tax return, any income Tax audit or other administrative or judicial proceeding relating to the ownership of the Shares prior to or after the Closing, requests for information from Governmental Authorities relating to the transactions contemplated by this Agreement, and matters relating to unclaimed property; provided, however, that a party shall not be obligated to make any work papers available to the requesting party unless and until such requesting party has signed a customary confidentiality and hold harmless agreement relating to such access to work papers in form and substance reasonably acceptable to such party to whom such request is being made.

5.12 Tax Matters.

(a) Without the prior written consent of ABI, the Buyer Parties shall not, and shall not allow a Company or any Person on behalf of a Company to, to the extent it may affect or relate to Grupo Modelo or any Affiliate thereof, make or change any Tax election, change any annual Tax accounting period, adopt or change any method of Tax accounting, file any amended Tax Return, enter into any closing agreement, settle any Tax claim or assessment, surrender any right to claim a Tax refund, offset or other reduction in Tax liability or consent to any extension or waiver of the limitations period applicable to any Tax claim or assessment.

(b) The parties shall use reasonable best efforts to facilitate the conversion of each Company to a Sociedad de Responsabilidad Limitada (S. de R.L.) organized under the laws of Mexcio.

(c) The parties shall use reasonable best efforts to facilitate the filing of an Internal Revenue Service Form 8832 electing to treat each Company as an entity disregarded from its owners for United States federal income tax purposes effective prior to the Closing Date.

(d) ABI and its Affiliates agree to indemnify, defend and hold the Buyer Parties harmless from and against and in respect of, without duplication, until ninety (90) days after the expiration of the applicable statute of limitation for any liability for Taxes imposed on or with respect to CCC Company or Servicios Company for any Pre-Closing Period and any Pre-Closing Straddle Period.

(e) Other than for any Taxes for which ABI and its Affiliates are liable pursuant to Section 5.12(d), CBI agrees to indemnify, defend and hold harmless ABI and its Affiliates from and against and in respect of, without duplication, until ninety (90) days after the expiration of the applicable statute of limitation for any liability for Taxes imposed on or with respect to CCC Company or Servicios Company for any Post-Closing Period and any Post-Closing Straddle Period.

(f) ABI and its Affiliates shall prepare, or cause to be prepared, and file, or cause to be filed, any and all Tax Returns of CCC Company and/or Servicios Company for any Pre-Closing Period which are required or permitted by applicable Law to be filed by CCC Company and/or Servicios Company.

(g) CBI and its Affiliates shall prepare and file, or cause to be prepared and filed, all Tax Returns required or permitted to be filed by, or with respect to, CCC Company and/or Servicios Company for any Straddle Period and for any Post-Closing Period and shall pay any Tax shown to be due and owing thereon; provided, however, that, if ABI and its Affiliates are required to indemnify CBI under this Section 5.12 with respect to any Taxes required to be reported on such Tax Return, at least thirty (30) calendar days prior to the Due Date of such Tax Return, CBI shall provide ABI with a copy of a substantially completed draft of each such Tax Return (including any schedules, work papers, and other documentation relevant thereto). CBI shall give ABI and its Affiliates the opportunity to review and consent to the treatment in such Tax Return of items relating to the Pre-Closing Straddle Period for which ABI and its Affiliates may be liable under this Agreement, which consent shall not be unreasonably withheld or delayed. CBI shall present to ABI a statement of the amount of Taxes for which ABI and its Affiliates are liable with respect to each Tax Return required to be filed by CBI and its Affiliates pursuant to this Section 5.12(g) at least three (3) calendar days before the Due Date of such Tax Return.

(h) CBI and its Affiliates shall prepare, or cause to be prepared, and file, or cause to be filed, on or before the Due Date all other Tax Returns of CCC Company and Servicios Company required or permitted to be filed by each such entity after the Closing Date.

(i) Any Tax refund received (it being understood that with regard to any Pre-Closing Period or any Pre-Closing Straddle Period, CBI shall, and shall cause its Affiliates and the Companies to, claim any value added tax as a refund instead of a credit) by CBI or its Affiliates, CCC Company or Servicios Company in respect of a Tax borne by ABI or its Affiliates pursuant to this Section 5.12 or otherwise shall be for the account of ABI and its Affiliates. CBI and its Affiliates shall pay, or cause to be paid, to ABI and its Affiliates the amount of any such refund or credit (together with any interest received by CBI or its Affiliates from the applicable Governmental Authority and net of any additional Taxes CBI or its Affiliates incur as a result of such refund or credit) within ten (10) calendar days after receipt or utilization thereof. Specifically with respect to value added tax, a refund shall be claimed on any Pre-Closing Period or Pre-Closing Straddle Period return. CBI and its Affiliates shall be entitled to retain from any payment required under this Section 5.12(j) any reasonable third-party fees and costs incurred by CBI in obtaining the refund or utilizing the credit to which ABI and its Affiliates are entitled.

(i) For the avoidance of doubt, all Taxes (including but not limited to value added taxes) that CCC Company or Servicios Company has the right to recover (for the normal course or business of CCC Company or Servicios Company or for any other reason) at or prior to Closing shall be for the benefit of ABI and its Affiliates. CBI and its Affiliates shall take or cause to be taken all actions, and do or cause to be done all things reasonably necessary or desirable on its part, and proceed diligently and in good faith to recovered or obtain compensation against any and all Taxes (including but not limited to value added taxes or income Taxes) for which CCC Company or Servicios Company may have the right to recover, and as promptly as possible pay any amounts so recovered, compensated to, or received by CBI, any of its Affiliates, CCC Company, or Servicios Company. The above shall include, but not be limited to, any Taxes paid by CCC Company or Servicios Company at Closing and any Taxes caused or incurred before Closing and any paid on or after Closing.

(j) Except to the extent required by applicable Law, as determined in ABI's reasonable discretion, none of CBI, any of its Affiliates, CCC Company, or Servicios Company shall amend any Tax Return in respect of CCC Company or Servicios Company for a Pre-Closing Period or Straddle Period.

(k) ABI, CBI, and each of their respective Affiliates shall, to the extent permitted by applicable Law, elect to treat the Closing Date as the last day of any taxable period of each of CCC Company and Servicios Company that would otherwise be a Straddle Period. In any case where applicable Laws do not permit the Closing Date to be treated as the last day of the taxable period, any Taxes arising out of or relating to a Straddle Period shall be apportioned between the Pre-Closing Straddle Period and the

Post-Closing Straddle Period based on an interim closing of the books as of and including the Closing Date. Notwithstanding the foregoing, however, (i) exemptions, allowances or deductions that are calculated on an annualized basis (including depreciation, amortization and depletion deductions for assets in service at the Closing Date) shall be apportioned on a daily pro rata basis and (ii) solely for purposes of determining the marginal Tax rate applicable to income during such period in a jurisdiction in which such Tax rate depends upon the level of income, annualized income shall be taken into account.

(l) Notwithstanding Section 5.12(l) and in the case of any property, ad valorem or similar Taxes determined on the basis of the value of property owned by the taxpayer, the amount of Taxes with respect to a Straddle Period attributable to (i) the Pre-Closing Straddle Period shall be deemed to be the product of the amount of such Tax for the entire Tax period and a fraction, the numerator of which is the number of days in the Tax period ending on (and including) the Closing Date and the denominator of which is the number of days in the entire Tax period and (ii) the Post-Closing Straddle Period shall be deemed to be the product of the amount of such Tax for the entire Tax period and a fraction, the numerator of which is the number of the days in the Tax period beginning on the day after the Closing Date and the denominator of which is the number of days in the entire Tax period.

(m) Notwithstanding anything to the contrary contained herein, (A) no Straddle Period Taxes shall be apportioned to the Pre-Closing Straddle Period to the extent such Taxes are the result of (i) any action taken by CBI and its Affiliates or (ii) CBI, any of its Affiliates, CCC Company, or Servicios Company failing to conduct the business of such entity in the ordinary course consistent with past practices following the Closing, and (B) no Straddle Period Taxes shall be apportioned to the Post-Closing Straddle Period to the extent such Taxes are the result of (i) any action taken by ABI and its Affiliates or (ii) ABI and any of its Affiliates failing to conduct the business of such entity in the ordinary course consistent with past practices on or before the Closing.

(n) After the date hereof, CBI and its Affiliates, CCC Company, and Servicios Company (each, a "*Recipient*" and together, the "*Recipients*"), shall notify ABI within ten (10) calendar days of receipt by a Recipient of written notice of any Tax Contest with respect to CCC Company or Servicios Company which could reasonably be expected to affect ABI and its Affiliates' obligation to indemnify the Recipients pursuant to this Agreement. If the Recipients fail to give such notice to ABI, the Recipients shall not be entitled to indemnification pursuant to this Agreement in connection with such Tax Contest only if such failure actually and materially prejudices ABI's ability to contest the asserted Tax deficiency. In addition to the foregoing, the Recipients shall promptly provide ABI copies of all written notices and other documents received from the applicable Governmental Authority.

(i) If such Tax Contest relates to any Tax for which ABI or any of its Affiliates may be liable, ABI may, at its election and expense, control the defense and settlement of such Tax Contest; provided that no settlement shall be permitted if it would adversely affect CBI without CBI's consent, which consent shall not be unreasonably withheld or delayed.

(ii) If such Tax Contest relates solely to Taxes for which neither ABI nor any of its Affiliates may be liable, CBI and its Affiliates shall, at their expense, control the defense and settlement of such Tax Contest.

(o) If as a result of a Tax Contest, either ABI and its Affiliates or CBI and its Affiliates are required to pay additional Taxes for which the other party is required to indemnify, such other party shall pay CBI or ABI (or their respective Affiliates), as appropriate, the amount of such additional Taxes not later than ten (10) calendar days before such amount is due.

(p) Tax Records and Cooperation. (A) CBI shall, and shall cause its Affiliates to, (i) retain and provide to ABI and its Affiliates, on reasonable request, access during regular business hours to any records or other information (including any books and records, workpapers, schedules, supporting entries, backups, and other documents) relating to CCC Company and/or Servicios Company with respect to any Pre-Closing Period and any Pre-Closing Straddle Period and (ii) provide to ABI and its Affiliates, on reasonable request, access during regular business hours to personnel of CBI, any of its Affiliates, CCC Company, and/or Servicios Company familiar with Tax matters relating to CCC Company and/or Servicios Company to respond to inquiries of ABI or any of its Affiliates relating to Taxes with respect to any Pre-Closing Period and any Pre-Closing Straddle Period. (B) ABI shall, and shall cause its Affiliates to (i) retain and provide to CBI and its Affiliates, on reasonable request, access during regular business hours to any records or other information (including any books and records, work papers, schedules, supporting entries, backups, and other documents relating to the CCC Company and/or the Servicios Company relating to Pre-Closing Period and any Pre-Closing Straddle Period and (ii) provide to CBI and its Affiliates, on reasonable request, access during regular business hours to personnel of ABI and/or any of its Affiliates familiar with Tax matters relating to the CCC Company and/or Servicios Company to respond to inquiries of CBI or any of its Affiliates relating to Taxes with respect to any Post-Closing Straddle Period.

(q) CBI shall promptly notify ABI of any authorized extension of the statutes of limitation of either or both of CCC Company and Servicios Company granted relating to any Pre-Closing Period or Straddle Period, but any failure to provide such notice by itself shall not affect ABI's indemnification obligations under this Section 5.12 if such failure does not prejudice ABI's or any of its Affiliates' ability to contest any Tax liability. Without limiting the generality of the foregoing, following the Closing, CBI shall retain, and shall cause each of its Affiliates, CCC Company, and Servicios Company to retain, until the applicable statutes of limitation (including any authorized extensions) have expired, copies of all Tax Returns, supporting work schedules and other records or information in its possession which may be relevant to such Tax Returns for all Pre-Closing Periods and Straddle Periods and shall not destroy or otherwise dispose of any such records without first providing ABI and its Affiliates the opportunity to review and copy same.

(r) Exclusivity of Tax Matters. Except as otherwise provided in this Section 5.12, and except with respect to Section 7.2 and Section 7.5, notwithstanding anything to the contrary in this Agreement, this Section 5.12 and not Article VII shall exclusively govern all matters related to the indemnification obligations of ABI, CBI, or any of their respective Affiliates relating to Taxes under this Agreement.

(s) Any payments made by ABI and its Affiliates to CBI and its Affiliates, or by CBI and its Affiliates to ABI and its Affiliates, shall be treated as an adjustment to the Purchase Price and allocated in the manner described on Schedule 1.3.

5.13 Termination of Intercompany Agreements. Except as set forth in Section 5.13 of the ABI Disclosure Letter, from and after the Closing, ABI and the Buyer Parties shall, and shall cause their respective Affiliates to, take such actions as may be necessary to continue in effect all Intercompany Agreements such that, following the Closing, ABI and its Affiliates, on the one hand, and the Companies, on the other hand, shall continue to be able to operate their respective businesses as conducted as of immediately prior to the Closing for a period of three (3) years on all existing terms (except such terms relating to term).

5.14 Further Assurances/ Reverse Transition Services. From and after the date hereof until eighteen (18) months following the Closing, each party hereto shall, and shall cause its Affiliates, as promptly as practicable to negotiate in good faith, execute, acknowledge and deliver any other Contracts reasonably requested (i) by the other parties hereto to obtain the benefits of the transaction reasonably expected by the parties hereto and (ii) by ABI or Grupo Modelo to obtain from the Companies, and by CBI and the Companies to obtain from ABI or Grupo Modelo, in each case, services necessary for the operation of the business (as measured as of immediately prior to the Closing and consistent with past practice of the provision of intercompany services between the Companies and Grupo Modelo and its Affiliates) of Grupo Modelo and its Affiliates other than the Companies, or the Companies, as applicable, including with respect to the items listed in Section 5.14 of the ABI Disclosure Letter.

5.15 Wrong Pocket Assets and Liabilities.

(a) If, within eighteen (18) months following the Closing, any person discovers that any right, title or interest in any asset either (x) to the extent primarily used in the business of the Companies as of the date hereof or the Closing that is not owned by a Company or (y) to the extent primarily used in the business of Grupo Modelo and its Affiliates other than the Companies as of the date hereof or the Closing (a "*Wrong Pocket Asset*") is not held by, or a corresponding liability (a "*Wrong Pocket Liability*") was not assumed by, the appropriate person (the "*Right Pocket*", and the person holding such Wrong Pocket Asset or Wrong Pocket Liability, the "*Wrong Pocket*"), except as a result of a transaction occurring after the Closing consented to by the Right Pocket or as contemplated by this Agreement:

(i) The parties to this Agreement shall cause any of their Affiliates holding such right, title or interest in a Wrong Pocket Asset to transfer as promptly as reasonably practicable such Wrong Pocket Asset to the Right Pocket for no additional consideration;

(ii) The parties to this Agreement shall cause the Wrong Pocket to hold its right, title and interest in and to the Wrong Pocket Asset in trust for the Right Pocket until such time as the transfer is completed; and

(iii) The parties to this Agreement shall cause the Right Pocket to assume from the Wrong Pocket as promptly as reasonably practicable any Wrong Pocket Liability for no additional consideration.

(b) All costs and expenses arising out of compliance with such transfers shall be allocated to the parties as though such transfers had been completed as of the Closing in accordance with this Agreement.

(c) The parties to this Agreement shall cause the Right Pocket to cooperate with the Wrong Pocket in connection with the transfers contemplated by this Section 5.15.

(d) For purposes of this Section 5.15, the Companies are the Right Pocket for all assets and liabilities used primarily in the operation of their business as of the date hereof or as of the Closing and Grupo Modelo and its Affiliates (other than the Companies) are the Right Pocket for all assets and liabilities used primarily in the operation of their business as of the date hereof and as of the Closing (it being agreed and understood that no assets or rights to be licensed to Importer pursuant to the License Agreement, or to be provided pursuant to the Interim Supply Agreement shall be deemed Wrong Pocket Assets).

(e) Promptly after the Closing, ABI shall deliver originals (or copies, to the extent there are no originals) of contracts of the Companies and other books and records (excluding email correspondence not already in hard copy) to CBI. Additionally, to the extent in the possession or control of ABI, ABI will take reasonable steps to preserve all other books and records of the Companies for five (5) years after the Closing and will deliver or provide access to CBI in accordance with Section 5.11.

5.16 Non-Solicitation of Employees.

(a) CBI shall not and shall not permit its Subsidiaries to, directly or indirectly, hire, solicit or encourage to leave the employment of ABI or any of its Affiliates any employee providing transition services under the Transition Services Agreement with whom CBI, any of its Subsidiaries or any of their Representatives come into contact with in connection with receiving such transition services; provided, however, that the foregoing provision shall not apply to employees terminated by ABI or its Affiliate or general advertisements or solicitations that are not specifically targeted at such persons; and

(b) ABI shall not and shall not permit its Subsidiaries to, directly or indirectly, hire, solicit or encourage to leave the employment of, any employee of any of the Companies; provided, however, that the foregoing provision shall not apply to employees terminated by any of the Companies or general advertisements or solicitations that are not specifically targeted at such persons.

## ARTICLE VI
## CONDITIONS TO CLOSING

6.1 Conditions to the Obligations of CBI and ABI.

(a) Mutual Conditions. The respective obligations of each of CBI and ABI to close the transactions contemplated by this Agreement shall be subject to the satisfaction or waiver at or prior to the Closing of the following conditions:

(i) The occurrence of the MIPA Transaction Closing;

(ii) No preliminary, temporary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or Governmental Authority, nor any statute, rule, regulation or executive order promulgated or enacted by any Governmental Authority after the date hereof, shall be in effect that would make the consummation of the transactions contemplated hereby illegal or otherwise prevent the consummation of such transactions;

(iii) The waiting periods (and any extension thereof) applicable to the consummation of the transactions contemplated by this Agreement under the HSR Act shall have expired or shall have been terminated; and

(iv) The issuance of a no objection letter from the Mexican Federal Competition Commission (*Comisión Federal de Competencia*) in connection with the transactions contemplated by this Agreement, or expiration of the relevant statutory period (and any extension thereof) as set forth in Sections 21.III and 21.IV of the Federal Economic Competition Law (*Ley Federal de Competencia Económica*) for the parties to be entitled to consummate the transactions contemplated by this Agreement.

(b) Buyer Party Conditions. The obligations of the Buyer Parties to close the transaction contemplated hereby also shall be subject to the satisfaction or waiver by the Buyer Parties at or prior to the Closing of the following condition:

(i) a Plant Force Majeure shall not have occurred and remained uncured.

## ARTICLE VII
## INDEMNITY

7.1 Survival; Effect of Materiality Qualifiers. (a) The representations and warranties in this Agreement shall survive the Closing as follows:

(i) the representations and warranties in Sections 2.1, 2.2, 2.3, 3.1(a) (with respect to the first sentence only), 3.2, 3.3, 3.4, 3.12, 4.1 (with respect to the first sentence only), 4.3 and 4.7 shall survive the Closing indefinitely;

(ii) the representations and warranties in Sections 3.15 and 3.22 shall survive the Closing and shall terminate thirty-six (36) months following the Closing Date; and

(iii) all other representations and warranties in this Agreement shall survive the Closing and shall terminate twenty-four (24) months following the Closing Date.

(b) The covenants and agreements of the parties hereto contained in this Agreement shall, subject to the express terms thereof, survive the Closing indefinitely.

7.2 Indemnification of CBI by ABI(a) . (a) From and after the Closing Date, ABI shall indemnify and save and hold harmless CBI and its subsidiaries and their respective officers, directors and Affiliates (collectively, the "*CBI Indemnified Parties*") from and against any Losses resulting from, arising out of, or incurred in connection with: (i) any failure of any representation or warranty made by ABI to be true and correct as of the date hereof

and as of the Closing Date (other than representations and warranties made as of another date, in which case the accuracy of such representations and warranties shall be determined as of such specified date) and (ii) any nonfulfillment or breach of any covenant or agreement made by ABI in this Agreement. For purposes of determining the existence of any inaccuracy in or breach of a representation or warranty and the measure of Losses for indemnification pursuant to clause (i) in this Section 7.2(a), such representation or warranty shall be read as if all materiality standards contained therein (i.e., qualifiers such as "material", "in all material respects", "Company Material Adverse Effect", or similar qualifiers) had been deleted, other than in Sections 3.8, the first sentence of Section 3.15(b) and Section 3.25 and with respect to the term "Material Contracts" in Sections 3.5, 3.6(a) and 3.20.

(b) Any indemnification of a CBI Indemnified Party pursuant to this Section 7.2 shall be effected by wire transfer or transfers of immediately available funds from ABI to an account designated in writing by the applicable CBI Indemnified Party to ABI within 15 days after the claim shall have been finally resolved (it being understood that a claim shall be "finally resolved" when (i) the parties to the dispute have reached an agreement in writing, (ii) a court of competent jurisdiction shall have entered a final and non-appealable order or judgment or (iii) an arbitration or like panel shall have rendered a final non-appealable determination with respect to the claim the parties have agreed to submit thereto).

7.3 Indemnification of ABI by CBI. (a) From and after the Closing Date, CBI shall indemnify and save and hold harmless ABI and its officers, directors and Subsidiaries (collectively, the "*ABI Indemnified Parties*") from and against any Losses suffered by any such ABI Indemnified Parties resulting from or arising out of: (i) any failure of any representation or warranty made by CBI to be true and correct as of the date hereof and as of the Closing Date (other than representations and warranties made as of another date, in which case the accuracy of such representations and warranties shall be determined as of such specified date) and (ii) any nonfulfillment or breach of any covenant or agreement made by CBI in this Agreement.

(b) Any indemnification of an ABI Indemnified Party pursuant to this Section 7.3 shall be effected by wire transfer or transfers of immediately available funds from CBI to an account designated by the applicable ABI Indemnified Party to CBI within 15 days after the claim shall have been finally resolved (it being understood that a claim shall be "finally resolved" when (i) the parties to the dispute have reached an agreement in writing, (ii) a court of competent jurisdiction shall have entered a final and non-appealable order or judgment or (iii) an arbitration or like panel shall have rendered a final non-appealable determination with respect to the claim the parties have agreed to submit thereto).

7.4 Procedures Relating to Indemnification. (a) If an Indemnified Party shall desire to assert any claim for indemnification provided for under this Article VII in respect of, arising out of or involving a claim or demand made by any Person (other than a party hereto or Affiliate thereof) against the Indemnified Party (a "*Third-Party Claim*"), such Indemnified Party shall notify the party liable for such indemnification (the "*Indemnifying Party*") in writing, and in reasonable detail (taking into account the information then available to such Indemnified Party), of the Third-Party Claim promptly after receipt by such Indemnified Party of written notice of the Third-Party Claim; *provided*, *however*, that failure to give such notification shall not affect the indemnification provided hereunder except to the extent the Indemnifying Party

shall have been actually prejudiced as a result of such failure. The Indemnified Party shall deliver to the Indemnifying Party, promptly after the Indemnified Party's receipt thereof, copies of all notices and documents (including court papers) received by the Indemnified Party relating to the Third-Party Claim; *provided*, *however*, that the failure to deliver such copies shall not affect the indemnification provided hereunder except to the extent the Indemnifying Party shall have been actually prejudiced as a result of such failure.

(b) If a Third-Party Claim is made against an Indemnified Party, the Indemnifying Party shall be entitled to participate in the defense thereof and, if it so chooses to assume the defense thereof with counsel selected by the Indemnifying Party and reasonably satisfactory to the Indemnified Party. Should the Indemnifying Party so elect to assume the defense of a Third-Party Claim, the Indemnifying Party shall not be liable to the Indemnified Party for legal expenses subsequently incurred by the Indemnified Party in connection with the defense thereof, unless the Third-Party Claim involves potential conflicts of interest or substantially different defenses for the Indemnified Party and the Indemnifying Party based on the advice of counsel. If the Indemnifying Party assumes such defense, the Indemnified Party shall have the right to participate in defense thereof and to employ counsel, at its own expense (except as provided in the immediately preceding sentence), separate from the counsel employed by the Indemnifying Party, it being understood that the Indemnifying Party shall control such defense. If the Indemnifying Party chooses to defend any Third-Party Claim, all the parties hereto shall cooperate in the defense or prosecution thereof. Such cooperation shall include the retention and (upon the Indemnifying Party's request) the provision to the Indemnifying Party of records and information that are reasonably relevant to such Third-Party Claim, and use reasonable efforts to make employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Whether or not the Indemnifying Party shall have assumed the defense of a Third-Party Claim, the Indemnified Party shall not admit any liability with respect to, or settle, compromise or discharge, such Third-Party Claim without the Indemnifying Party's prior written consent (which consent shall not be unreasonably withheld). The Indemnifying Party may pay, settle or compromise a Third-Party Claim without the written consent of the Indemnified Party, so long as such settlement includes (A) an unconditional release of the Indemnified Party from all liability in respect of such Third-Party Claim, (B) does not subject the Indemnified Party to any injunctive relief or other equitable remedy and (C) does not include a statement or admission of fault, culpability or failure to act by or on behalf of any Indemnified Party.

(c) If an Indemnified Party shall desire to assert any claim for indemnification provided for under this Article VII other than a claim in respect of, arising out of or involving a Third-Party Claim, such Indemnified Party shall notify the Indemnifying Party in writing, and in reasonable detail (taking into account the information then available to such Indemnified Party), of such claim promptly after becoming aware of the existence of such claim; *provided* that the failure to give such notification shall not affect the indemnification provided for hereunder except to the extent the Indemnifying Party shall have been actually prejudiced as a result of such failure. If the Indemnifying Party does not respond to such notice within 45 days after its receipt, it shall have no further right to contest the validity of such claim.

7.5 Limitations on Indemnification.

(a) ABI shall have no liability for any claim for indemnification hereunder if the Loss associated with such claim is less than One Hundred Thousand Dollars ($100,000) (any such claim being referred to as a "*De Minimis Claim*"). ABI shall have no liability for indemnification pursuant to Section 7.2(a) with respect to Losses for which indemnification is provided thereunder unless the aggregate amount of such Losses (excluding all Losses associated with De Minimis Claims) exceeds Fifty Million Dollars ($50,000,000) (the "*Deductible*"), in which case ABI shall be liable for all such Losses (excluding all Losses associated with De Minimis Claims) in excess of the Deductible; provided that except as set forth below in no event shall the aggregate indemnification to be paid by ABI exceed Five Hundred Million Dollars ($500,000,000) (the "*Indemnity Cap*"). Notwithstanding the foregoing and except for fraud, the limitations and restrictions of the Deductible and the Indemnity Cap shall not apply to Losses incurred by CBI arising from, arising out of, in the nature of, or caused by any breach of the representations and warranties set forth in Sections 2.1, 2.2, 2.3, 3.1(a) (with respect to the first sentence only) 3.2, 3.3 and 3.12.

(b) The Buyer Parties and ABI agree that, notwithstanding Section 7.2 of this Agreement, the sole and exclusive remedy of the Buyer Parties for any breach of the representation and warranty set forth in the last sentence of Section 3.8 is through the Purchase Price Adjustment in accordance with Section 1.4.

(c) No Indemnified Party shall be entitled to recover from an Indemnifying Party more than once in respect of the same Losses.

7.6 Consequential Damages. Following the Closing, the indemnification provided in this Article VII shall be the exclusive remedy and in lieu of any and all other rights and remedies which the Indemnified Parties may have under this Agreement or otherwise against each other with respect to the transactions contemplated hereby for monetary relief with respect to any breach of any representation or warranty or any failure to perform any covenant or agreement set forth in this Agreement, and each party hereto each expressly waives any and all other rights or causes of action it or its Affiliates may have against the other party or its Affiliates now or in the future under any Law with respect to the subject matter hereof, except in either case for fraud of the other party or the parties' rights to seek specific performance in accordance with Section 10.14. Subject to the next sentence of this Section 7.6, no Person shall be liable under this Article VII for any consequential, punitive, special, incidental or indirect damages, including lost profits and diminution in value, except to the extent awarded by a court of competent jurisdiction in connection with a Third Party Claim. Notwithstanding anything to the contrary in this Agreement, the restriction in the preceding sentence on the right of a party hereunder to recover consequential, punitive, special, incidental and indirect damages, including lost profits and diminution in value, shall not apply where ABI fails to sell, or causes to be sold, the Shares to the Buyer Parties after all conditions precedent set forth in this Agreement to ABI's obligations to sell, or cause to be sold, the Shares to the Buyer Parties hereunder have been satisfied or waived.

7.7 Additional Indemnification Provisions.

(a) With respect to each indemnification obligation under this Agreement (i) each such obligation shall be calculated on an After-Tax Basis and (ii) all Losses shall be net of any third-party insurance proceeds that have been recovered or are recoverable by the Indemnified Party in connection with the facts giving rise to the right of indemnification.

(b) If an Indemnifying Party makes any payment for any Losses suffered or incurred by an Indemnified Party pursuant to the provisions of this Article VII, such Indemnifying Party shall be subrogated, to the extent of such payment, to all rights and remedies of the Indemnified Party to any insurance benefits or other claims of the Indemnified Party with respect to such Losses and with respect to the claim giving rise to such Losses.

(c) The right to indemnification or other remedy based on any representations, warranties, obligations, covenants and agreements set forth in this Agreement or in any of the Ancillary Agreements, will not be affected by any investigation conducted with respect to, or any notice or knowledge acquired (or capable of being acquired), with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant or agreement; provided, however, that notwithstanding anything to the contrary contained herein, except as set forth on Section 7.7(c) of the ABI Disclosure Letter, ABI shall not have any liability relating to any breach of, or inaccuracy in, any representation or warranty made herein that, as of the date hereof, any Buyer Party had Knowledge of the breach or inaccuracy of the representation or warranty or of the facts relating to such breach or inaccuracy.

## ARTICLE VIII
## TERMINATION

8.1 Termination. This Agreement may be terminated at any time prior to the Closing Date:

(a) By mutual written consent of CBI and ABI;

(b) By ABI or CBI, by written notice to the other party, if the MIPA is terminated for any reason; and

(c) By ABI or CBI, by written notice to the other party, if the GM Agreement is terminated for any reason.

8.2 Effect of Termination. If this Agreement is terminated in accordance with Section 8.1, this Agreement shall become null and void and of no further force or effect with no liability to any Person on the part of any party hereto (or any of its representatives or Affiliates), except that: The terms and provisions of Section 7.6, this Section 8.2 and Article X shall survive and remain in full force and effect;

(b) No termination of this Agreement shall relieve any party hereto from any liability for any breach of this Agreement that arose prior to such termination or resulting from fraud of such party; and

(c) In the event of termination of this Agreement by ABI or CBI pursuant to Section 8.1(b) (but solely as a result of ABI exercising its right to terminate the MIPA under Section 11.1(b) thereof) or 8.1(c), then ABI shall promptly (but in no event later than two (2) Business Days after the date of such termination) cause Anheuser-Busch International Holdings, LLC (or its designee) to pay, or cause to be paid, to CBI (or its designee) an amount equal to One Hundred Seventeen Million Dollars ($117,000,000) (the "*SPA Termination Fee*") by wire transfer of same day funds to any account designated by CBI (or its designee). For the avoidance of doubt, in no event shall any of ABI or its Affiliates be required to pay the SPA Termination Fee on more than one occasion.

ARTICLE IX
DEFINITIONS

9.1 Definition of Certain Terms. As used in this Agreement, the following terms have the meanings set forth below:

The terms defined in this Article IX, whenever used in this Agreement (including in the ABI Disclosure Letter), shall have the respective meanings indicated below for all purposes of this Agreement (each such meaning to be equally applicable to the singular and the plural forms of the respective terms so defined). All references herein to a Section, Article, Exhibit or Schedule are to a Section, Article, Exhibit or Schedule of or to this Agreement, unless otherwise indicated, and the words "hereof" and "hereunder" shall be deemed to refer to this Agreement as a whole and not to any particular provision. The words "includes" and "including" shall be deemed to be followed by the words "without limitation" whenever used.

ABI: the meaning set forth in the preamble.

ABI Disclosure Letter: the disclosure letter prepared by ABI, a copy of which is attached hereto as Schedule 1 and incorporated herein by reference.

ABI Indemnified Parties: the meaning set forth in Section 7.3(a).

ABI Required Approvals: the meaning set forth in Section 3.6(b).

Adjustment Consultation Period: the meaning set forth in Section 1.4(e).

Adjustment Review Period: the meaning set forth in Section 1.4(b).

Affiliate: with respect to any Person, a Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such Person. "Control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise; provided, however, that unless and until the closing of the GM Transaction has occurred, none of Grupo Modelo, GMC or any of their respective controlled Affiliates shall be considered Affiliates of ABI or any of its Subsidiaries (excluding Grupo Modelo, GMC or any of their controlled Affiliates) and none of ABI or any of its Subsidiaries (excluding Grupo Modelo, GMC or any of their controlled Affiliates) shall be considered Affiliates of Grupo Modelo, GMC or any of their Affiliates.

After-Tax Basis: in determining the amount of the payment necessary to indemnify any party against, or reimburse any party for, Losses, the amount of such Losses shall be determined net of any Tax benefit derived by the Indemnified Party as the result of sustaining such Losses and the amount of such payment shall be increased to take into account any net Tax cost incurred by the recipient thereof as a result of the receipt or accrual of the payment.

Agreement: the meaning set forth in the Preamble, the ABI Disclosure Letter, and all Exhibits and Schedules attached hereto and thereto and all amendments hereto and thereto made in accordance with Section 10.7.

Alcoholic Beverage Authorities: the United States Alcohol and Tobacco Tax and Trade Bureau, as well as the applicable state, local, municipal, provincial, foreign, and other Governmental Authorities that regulate the production and sale of alcoholic beverage products.

Allocated SG&A: the sum of (i) 'gastos de administracion' and 'Gastos de procesos y tecnología de información' of Marcas Modelo, S.A. de C.V., including, for the avoidance of doubt, depreciation and amortization in these accounts, but only as allocated to U.S. exports by multiplying the net cost defined above by the U.S. volumes and dividing this product by the total export volumes (including U.S. volumes) sold by Grupo Modelo and (ii) 'gastos de administracion' and 'Gastos de procesos y tecnología de información' of the companies and segments identified in Grupo Modelo as (a) Servicios Corporativos and (b) Servicios Generales, including, for the avoidance of doubt, depreciation and amortization in these accounts, but only as allocated to U.S. exports by multiplying the net cost defined above by the U.S. volumes and dividing this product by Grupo Modelo total sales volume (including U.S. volumes). For the avoidance of doubt, Allocated SG&A will exclude any overhead allocated and invoiced to Piedras Negras, Noroeste and Zachatecas breweries by the companies Diblo and Cenexis which is included in Brewery Operating Expense.

Ancillary Agreements: the Transition Services Agreement and the License Agreement.

Antitrust Law: the HSR Act, the Clayton Act of 1914, the Sherman Antitrust Act of 1890, the Federal Trade Commission Act, the Federal Economic Competition Law (Ley Federal de Competencia Económica) of Mexico and any other United States, Mexican, Belgian or other foreign, supranational, federal or state Laws that are designed to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade, including any applicable merger control rules.

Appurtenant Easements: the meaning set forth in Section 3.14(f).

Beer: beer, ale, porter, stout, malt beverages, and any other versions or combinations of the foregoing, including, non-alcoholic versions of any of the foregoing.

Brewery Operating Expense (Gastos de Operation):

1) All operating expense of Piedras Negras

2) For the breweries of Noroeste and Zachatecas, only the following costs will be included:

   a. Operating expenses that are exclusively born for U.S. export and identifiable as such in the accounting systems of Grupo Modelo;

   b. An allocation of operating expenses exclusively born for the export business (including the U.S.) calculated by multiplying such operating expense for such brewery by the U.S. volumes for such brewery and dividing this product by the total Grupo Modelo export volumes (including U.S. volumes) for such brewery;

   c. An allocation of operating expense that are not specific to any segment calculated by multiplying such operating expense for such brewery by the U.S. volumes for such brewery and dividing this product by the total Grupo Modelo volumes (including U.S. volumes) for such brewery.

   d. For the avoidance of doubt, operating expenses that are exclusively for the Mexico volume or non-U.S. export volume will not be included when calculating Brewery Operating Expense.

3) For U.S. volumes sold from the other breweries, the Brewery Operating Expense will equal the product of the volume-weighted Brewery Operating Expense per hectoliter for U.S. volume as determined above for Piedras Negras, Zachatecas and Noroeste multiplied by the total U.S. volume sold from the other breweries.

Business Day: any day other than Saturday, Sunday or any other day on which banks in the City of New York or Mexico City, Mexico are required or permitted to close.

Buyer Parties: collectively, CBI, and one or more Affiliates of CBI to whom CBI has assigned the right to purchase all or a portion of the Shares.

CBI: the meaning set forth in the preamble.

CBI Indemnified Parties: the meaning set forth in Section 7.2(a).

CBI Material Adverse Effect: the meaning set forth in Section 4.1.

CCC Company: the meaning set forth in the Recitals.

CCC Company Securities: any shares of capital stock or other equity interests in, or securities of, the CCC Company or any securities, rights or obligations convertible into, exchangeable for or exercisable to acquire any securities of the CCC Company.

CCC Company Shares: the meaning set forth in the Recitals.

Closing: the meaning set forth in Section 1.2.

Closing Date: the meaning set forth in Section 1.2.

Company: the meaning set forth in the Recitals.

Company Material Adverse Effect: any change, effect or circumstance that is materially adverse to the business, results of operations or financial condition of the Companies taken as a whole, in each case, other than and without taking into account any change, effect, development or circumstance relating to or resulting from (i) changes in general political or economic conditions; (ii) changes in general financial or securities markets conditions (including changes in exchange rates, commodities markets, exchange controls, monetary policy and inflation); (iii) any event, circumstance, change or effect that affects the industry or industries in which the Companies operates generally; (iv) any changes in Laws or interpretations thereof applicable to or affecting the Companies or any of their respective properties or assets; (v) any changes in IFRS, Mexican GAAP or other accounting principles or requirements; (vi) any outbreak or escalation of hostilities or war or any act of terrorism, or any natural disaster or other calamity; (vii) the announcement or the existence of this Agreement and the transactions contemplated hereby, including any related or resulting loss of or change in relationship with any customer, supplier, distributor or other business partner, or departure of any employee or officer, or any litigation or other proceeding; (viii) any failure to meet any internal or public projections, forecasts or estimates of earnings or revenue (provided, however, that, in the case of this clause (viii), the underlying cause for such failure may be considered in determining whether there may be a Company Material Adverse Effect); or (ix) compliance with the terms of, or the taking of any action permitted, contemplated or required by, or the not-taking of any action prohibited by, this Agreement, or the taking or not-taking of any such action with the prior written consent of the other parties hereto.

Confidentiality Agreement: the meaning set forth in Section 10.8.

Consent: any consent, order, approval, ratification, waiver or other authorization issued or granted by any Governmental Authority or any other Person, or any notice, registration or filing delivered to or filed with any Governmental Authority or any other Person, including any Permit.

Constellation Beers: Constellation Beers Ltd.

Contract: any agreement, contract, instrument, commitment, covenant, promissory note, bond, indenture, insurance policy, deed, lease, sublease, license, purchase order, sales order or other obligation or arrangement (whether written or oral) that is legally binding.

Current Production: Nominal capacity of Ten Million (10,000,000) hectoliters of Beer per annum.

De Minimis Claim: the meaning set forth in Section 7.5(a).

Debt Financing: the meaning set forth in Section 5.5(b).

Deductible: the meaning set forth in Section 7.5(a).

Depreciation and Amortization: (i) all depreciation and amortization of Piedras Negras included in Direct COGS or Brewery Operating Expense, and (ii) for the breweries of Noroeste and Zachatecas the allocated depreciation and amortization included in Direct COGS or Brewery Operating Expense calculated by multiplying the total depreciation and amortization of the brewery by the U.S. volume sold by the brewery and dividing this product by the total volumes (including U.S. volumes) sold by the brewery. For the avoidance of doubt, any depreciation and amortization in Allocated SG&A shall be excluded.

Diblo: the meaning set forth in the Recitals.

Dijon: the meaning set forth in the Recitals.

Direct COGS:

1. For volumes sold from the brewery of Piedras Negras the Cost of Sales (Costo de cerveza marcas propias) for Piedras Negras brewery
2. For volumes sold from the breweries of Noroeste and Zachatecas: the sum of (i) the Production Cost (Costo total de producción de cerveza) per hectoliter for export beer for each brewery multiplied by the U.S. volume sold from each brewery, where the Production Cost per hectoliter for such brewery will be calculated as the total Production Cost for export volume for such brewery divided by the total export volume produced in 2012 in that brewery and (ii) Cost of Goods Sold (Costo de cerveza marcas propias) not included in the Production Cost will be allocated to the U.S. volumes as set forth below:
    a. Costs that are exclusively born for U.S. export and identifiable as such in the accounting systems of Grupo Modelo;
    b. An allocation of such brewery cost exclusively born for the export business (including the U.S.), such allocation to be calculated by multiplying such brewery cost by the U.S. volumes for such brewery and dividing this product by the total Grupo Modelo export volumes (including U.S. volumes) for such brewery;
    c. An allocation of such brewery cost not specific to any segment, such allocation to be calculated by multiplying such brewery cost by the U.S. volumes for such brewery and dividing this product by the total Grupo Modelo volumes (including U.S. volumes) for such brewery;
    d. For the avoidance of doubt, costs that are exclusively born for the Mexico volume or non-U.S. export volume will not be included when calculating COGS.

3. For U.S. volumes sold from the other breweries, the Direct COGS will equal the product of the volume-weighted average Direct COGS per hectoliter for U.S. volume as determined above for Piedras Negras, Zachatecas and Noroeste multiplied by the total U.S. volume sold from the other breweries.

DOJ Action: United States v. Anheuser-Busch InBev SA/NV and Grupo Modelo S.A.B. de C.V., Case 1:13-cv-00127 (January 31, 2013).

Dollars: dollars of the United States of America.

Due Date: with respect to any Tax Return, the date on which such Tax Return is due to be filed (taking into account any valid extensions).

EBITDA:

(i) U.S. Sales plus

(ii) Other Income less

(iii) Direct COGS less

(iv) Brewery Operating Expense plus/(minus)

(v) Other Operating Income/(Expense) less

(vi) U.S. Marketing Cost less

(vii) Allocated SG&A plus

(viii) Depreciation and Amortization

All of the foregoing amounts will be exclusively determined by reference to the information set forth or reflected in line items in the IFRS audited financial statements of Grupo Modelo and its Affiliates for the year 2012 or, if not set forth or reflected in such line items, based on (i) the entries set forth in Grupo Modelo's accounting and reporting systems that are used to prepare Grupo Modelo's IFRS audited financial statements and (ii) the categorizations as determined in Grupo Modelo's standard reports, all with Mexican Peso amounts converted at a rate of 13.18 pesos per U.S. $, which represents the daily average exchange rate for Grupo Modelo's sales to Crown Imports LLC in 2012. An example of the calculation of EBITDA is set forth as Exhibit C hereto.

Employee Benefit Plans: has the meaning set forth in Section 3.18(a).

Environmental Laws: all Laws pertaining to air and water quality, Hazardous Materials, and protection of the environment and human health, including but not limited to, all as amended: the *Ley General del Equilibrio Ecológico y la Proteccion al Medio Ambiente*, the *Ley General para la Prevención y Gestión Integral de los Residuos* and the *Ley de Aguas Nacionales* and the regulations issued in connection therewith, and all similar laws, statutes, codes and ordinances in each municipality in which the Piedras Negras Plant is located and of any other federal, state or local governmental agency, authority or bureau enacted, promulgated or amended under any of the foregoing.

Environmental Reports: all material assessments, reports or audits in the possession of ABI as of the date hereof regarding environmental matters associated with the Piedras Negras Plant or the Future Expansion, including any environmental Permits, hazardous materials business plans and notices alleging violations of any Environmental Laws or environmental Permit.

Equipment: all machinery, equipment, tools, furniture, office equipment, computer hardware, supplies, materials, vehicles and other items of tangible personal property of every kind owned by the Company or used by the Company in the operation of the Piedras Negras Plant, and all computer software and computer systems used in or to support the operation thereof.

Final EBITDA Amount: the meaning set forth in Section 1.4(f).

Final Statement: the meaning set forth in Section 1.4(f).

Financial Information: the meaning set forth in Section 3.8.

Financing: the meaning set forth in Section 4.8.

Financing Commitment: the meaning set forth in Section 4.8.

Future Expansion: the construction and completion of expansion phases II and III of the Piedras Negras Plant, which, once complete will allow the Piedras Negras Plant to brew and bottle a nominal capacity of twenty million (20,000,000) hectoliters of Beer per annum.

GAAP: generally accepted accounting principles, consistently applied.

Glass Plant: the plant as of the date hereof that is owned by Industria Vidriera de Coahuila, S.A. de C.V. and located in Coahuila, Mexico.

GM Agreement: the Transaction Agreement by and among Grupo Modelo, S.A.B. de C.V., Diblo, S.A. de C.V., Anheuser-Busch InBev SA/NV, Anheuser-Busch International Holdings, Inc. and Anheuser-Busch México Holdings, S. de R.L. de C.V., dated as of June 28, 2012.

GMC: the meaning set forth in the Recitals.

GM Transaction: the meaning set forth in the Recitals.

Governmental Authority: any foreign or domestic, federal, state, provincial, local, municipal or other governmental judicial, arbitral, legislative, executive or regulatory department, division, commission, administration, board, bureau, agency, court, tribunal, instrumentality or other body (whether temporary, preliminary or permanent).

Governmental Order: any order, writ, judgment, injunction, decree, declaration, stipulation, determination or award entered by or with any Governmental Authority.

Grupo Modelo: the meaning set forth in the Recitals.

Hazardous Materials: any substance, material or waste, regardless of quantity or concentration, that is: (1) regulated under or defined as, or otherwise included in the definition of, a "hazardous waste," "hazardous material," "hazardous substance," "acutely hazardous waste", "toxic substance", pollutant, toxic pollutant, or "restricted hazardous waste" under any applicable Environmental Law, (2) petroleum, petroleum product or petroleum distillate, (3) asbestos, (4) polychlorinated biphenyls and constituents and degradation products of any of the foregoing.

HSR Act: the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and the rules and regulations promulgated thereunder.

IFRS: the International Financial Reporting Standards consistently applied.

Importer: the meaning set forth in the Recitals.

Importer Interest: the meaning set forth in the Recitals.

Indemnified Party: an ABI Indemnified Party or a CBI Indemnified Party.

Indemnifying Party: the meaning set forth in Section 7.4(a).

Indemnity Cap: the meaning set forth in Section 7.5(a).

Independent Accountant: the meaning set forth in Section 1.4(f).

Initial EBITDA Accountant: the meaning set forth in Section 1.4(a).

Initial EBITDA Amount: the meaning set forth in Section 1.4(a).

Initial Statement: the meaning set forth in Section 1.4(a).

Intercompany Agreements: Contracts and other instruments between any of the Companies, on the one hand, and Grupo Modelo or any Affiliate of Grupo Modelo (other than the Companies), on the other hand.

Interim Supply Agreement: that certain Interim Supply Agreement by and between Grupo Modelo and Importer, and to be executed at the MIPA Transaction Closing.

Inventory: the meaning set forth in Section 3.16.

Knowledge: (i) with reference to ABI or a Company, the actual knowledge (after reasonable inquiry and investigation) of those Persons listed on Section 9.1(a) of the ABI Disclosure Letter and (ii) with reference to the Buyer Parties, the actual knowledge (after reasonable inquiry and investigation of those Persons listed on Section 9.1(a) of the ABI Disclosure Letter.

Land: that certain real property located in Nava, Coahuila, Mexico comprised of approximately 750 acres and more specifically described as follows: Rustic Property located at the Federal Highway No. 57 ( Monclova-Piedras Negras), Km. 233+200, Official No. 85, Río Escondido, Municipality of Nava, State of Coahuila, Mexico, with an extension of 334-04-70 Acres, and the description specified in the Public Deeds No. 165, 187 and 17, and related documents.

Laws: (i) any constitution, statute, law, code, ordinance, regulation, treaty, rule, common law, policy or interpretation enacted, published or promulgated by any Governmental Authority, including, but not limited to, laws and regulations applicable to the production and sale of alcoholic beverage products, "dram shop" laws, safety laws, building, health, fire, safety, subdivision, zoning and other similar regulatory laws or other similar regulations; and (ii) with respect to a particular Person, the terms of any Governmental Order or Permit binding upon such Person or its assets or properties.

License Agreement: the Amended and Restated Sub-License Agreement dated as of the Closing Date between Marcas Modelo, S.A. de C.V. and Constellation Beers in the form attached hereto as Exhibit A.

License Purchase Price: the meaning set forth in Schedule 1.3(1).

Lien: any mortgage, pledge, deed of trust, lien (including environmental and Tax liens), hypothecation, charge, claim, security interest, title defect, encumbrance, burden, charge or other similar restriction, lease, sublease, claim, title retention agreement, preferential arrangement, option, easement, covenant, encroachment or other adverse claim of any kind, including any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership.

Losses: all losses, damages, costs, expenses, liabilities, obligations, Taxes and claims of any kind (including any action brought by any Governmental Authority or other Person and including reasonable attorneys' fees disbursements).

Marcas Modelo: Marcas Modelo, S.A. de. C.V.

Material Contracts: all Contracts in effect as of the date hereof to which the Company is a party (and, including, without limitation, all Contracts relating or pertaining to the ownership, operation or use of the Piedras Negras Plant or the Future Expansion) that (i) contain a term that is equal to or greater than one (1) year and (ii) impose obligations on ABI that equal to or exceed Five Hundred Thousand Dollars ($500,000) over the course of any twelve (12) month period.

MIPA: the meaning set forth in the Recitals.

MIPA Transaction: the meaning set forth in the Recitals.

MIPA Transaction Closing: the Closing (as defined in the MIPA).

Non-GM Beer: any Beer other than the Product (as defined in the License Agreement) or a Brand Extension Beer (as defined in the License Agreement).

Notice of Disagreement: the meaning set forth in Section 1.4(e).

Offering Document: the meaning set forth in Section 5.5(b)(ii).

Organizational Documents: with respect to any corporation, its articles or certificate of incorporation and by-laws, and with respect to any other type of entity, its organizational documents.

Other Income: (i) Other Income of the brewery of Piedras Negras net of any cost linked to such other income, (ii) royalty income from U.S. volumes and (iii) marketing income resulting from reimbursement by Crown Imports LLC.

Other Operating Income/Expense: Otros (gastos) y productos -neto- of the brewery of Piedras Negras.

Permit: any permit (including, without limitation, building, housing, safety, fire, health, subdivision, zoning, water, wastewater, drainage and irrigation permits), license, exemption, variance, registration, security clearance, approval, membership, certificates (including, without limitation, any certificate(s) of occupancy), consents, orders, decrees, notifications or other authorization issued or granted by any Governmental Authority.

Permitted Liens: (i) Liens for Taxes, assessments or other governmental charges not yet due and payable or due but not delinquent or being contested in good faith by appropriate proceedings; (ii) restrictions on transfer imposed by applicable securities laws or state corporation, limited liability or partnership laws; (iii) Liens arising under this Agreement or the Ancillary Agreements; and (iv) Liens created by CBI or its Affiliates.

Person: any natural person, firm, partnership, association, corporation, company, trust, business trust, Governmental Authority or other entity.

Piedras Negras Plant: the brewery owned as of the date hereof by the Company and located on the Land and, including, but not limited to, all structures, buildings, building systems irrigation systems, drainage systems, wells, septic systems, roads, fixtures and other improvements on such Land.

Plant Force Majeure: any event (other than a strike, lockout or other labor or industrial dispute) including (a) fire, explosion, earth quake, flood, storm, blight, drought, plague, act of God or other act of nature, casualty, act of terrorism, war, riots or civil disturbances, government regulations, or acts of civil or military authorities; (b) any taking or pending or threatened taking, in condemnation or under the right of eminent domain or similar right, of the Plant Property, or a portion thereof; or (c) inability to obtain, or malfunction or breakdown of, any machinery or equipment, failure or malfunction of any utilities or telecommunications systems or common carriers, water,

labor, material or fuel shortages; in each case to the extent causing the Piedras Negras Plant to be unable to manufacture, bottle, and package at least thirty percent (30%) of its daily production of Beer (measured with respect to average daily production of Beer in the preceding 12 months) for a period of 60 consecutive days.

Plant Property: means, collectively, the Land and the Piedras Negras Plant.

Post-Closing Period: any taxable period that begins after the Closing Date.

Post-Closing Straddle Period: the portion of any Straddle Period that begins after the Closing Date.

Pre-Closing Period: any taxable period that ends on or before the Closing Date.

Pre-Closing Straddle Period: the portion of any Straddle Period that ends on or before the Closing Date.

Preliminary Adjustment Amount: the meaning set forth in Section 1.4(a).

Purchase: the meaning set forth in Section 1.1.

Purchase Price: the meaning set forth in Section 1.3.

Purchase Price Adjustment: the meaning set forth in Section 1.4(h).

Recipients: the meaning set forth in Section 5.12(o).

Remedial Action: the meaning set forth in Section 5.2.

Representatives: the directors, officers, employees, agents, consultants, advisors, (including legal, financial and accounting advisors), and other representatives of ABI, the Companies, CBI and their respective Affiliates, as applicable.

Required Information: the meaning set forth in Section 5.5(b)(i).

Right Pocket: the meaning set forth in Section 5.15(a).

Servicios Company: the meaning set forth in the Recitals.

Servicios Company Securities: any shares of capital stock or other equity interests in, or securities of, the Servicios Company or any securities, rights or obligations convertible into, exchangeable for or exercisable to acquire any securities of the Servicios Company.

Servicios Company Shares: the meaning set forth in the Recitals.

Shares: the meaning set forth in the Recitals.

Share Permitted Liens: restrictions on transfer imposed by applicable securities law.

SPA Termination Fee: the meaning set forth in Section 8.2(c).

Specified Court: the meaning set forth in Section 10.13.

Straddle Period: any taxable period that begins on or before and ends after the Closing Date.

Subsidiary: with respect to any Person (other than a natural Person) means any other Person of which (a) the first mentioned Person or any Subsidiary thereof is a general partner, (b) voting power to elect a majority of the board of directors or others performing similar functions with respect to such other Person is held by the first mentioned Person and/or by any one or more of its Subsidiaries or (c) at least 50% of the equity interests of such other Person is, directly or indirectly, owned or controlled by such first mentioned Person and/or by any one or more of its Subsidiaries.

Target EBITDA Amount: $310,000,000.

Tax: (a) all foreign, U.S. federal, state or local taxes, fees, assessments, levies or other governmental charges whatsoever, including all income, gross receipts, franchise, withholding, unemployment insurance, social security, sales, use, excise, real and personal property, municipal, capital, stamp, transfer, license, payroll, VAT and workers' compensation taxes, or any liability for any of the foregoing together with all interest, penalties and additions imposed by any Governmental Authority responsible for the imposition of any Tax (foreign or domestic) (a "*Taxing Authority*") as a transferee or successor and (b) liability for the payment of any amounts of the type described in (a) as a result of being a party to any agreement or any express or implied obligation to indemnify another Person.

Tax Contest: an audit, claim, dispute, controversy, hearing, or administrative, judicial, or other proceeding relating to Taxes or Tax Returns.

Tax Return: all returns, certifications, forms, reports or other information required to be supplied to any Taxing Authority relating to Taxes including any attachments thereto.

Taxing Authority: the meaning set forth in the definition of Taxes set forth in this Section 9.1.

Third-Party Claim: the meaning set forth in Section 7.4(a).

Third-Party Sale Agreement: the meaning set forth in Section 5.8(b).

Transition Services Agreement: Transition Services Agreement by and between ABI and CBI in the form attached hereto as Exhibit B.

Up-Front Payment: the portion of the purchase price allocated to the License Purchase Price which is being paid as consideration for the licenses granted to Constellation Beers as of the date hereof pursuant to the License Agreement.

U.S. Marketing Cost: [****]

U.S. Sales: all revenues derived by Grupo Modelo and its Affiliates from selling Product (as defined in the Importer Agreement between Extrade II, S.A. de C.V. and Crown Imports LLC, dated January 2, 2007, as amended to the date hereof) to Importer and its Affiliates in 2012 net of any discounts for early payment and rebates released from '(Gastos) y productas financieros – neto' of Grupo Modelo's trial balance (for the avoidance of doubt, only such discounts and rebates shall be netted and not any other items of (Gastos) y productas financieros – neto').

Utilities Facilities: the meaning set forth in Section 3.15(f).

Wrong Pocket: the meaning set forth in Section 5.15(a).

Wrong Pocket Asset: the meaning set forth in Section 5.15(a).

Wrong Pocket Liability: the meaning set forth in Section 5.15(a).

9.2 Certain Interpretive Matters. In this Agreement, unless the context otherwise requires: words of the masculine or neuter gender shall include the masculine and/or feminine gender, and words in the singular number or in the plural number shall each include the singular number or the plural number;

(b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity;

(c) reference to any agreement (including this Agreement) or other Contract or any document means such agreement, Contract or document as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof;

(d) all amounts in this Agreement and the Ancillary Agreements are stated and shall be paid in United States dollars unless specifically otherwise provided;

(e) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding or succeeding such term;

(f) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including;"

(g) "hereto", "herein", "hereof", "hereinafter" and similar expressions refer to this Agreement in its entirety, and not to any particular Article, Section, paragraph or other part of this Agreement;

(h) reference to any "Article" or "Section" means the corresponding Article(s) or Section(s) of this Agreement;

(i) the descriptive headings of Articles, Sections, paragraphs and other parts of this Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement or any of the terms or provisions hereof;

(j) reference to any Law or Governmental Order, means (A) such Law or Order as amended, modified, codified, supplemented or reenacted, in whole or in part, and in effect from time to time; and (B) any comparable successor Laws or Governmental Orders; and

(k) any Contract, instrument, insurance policy, certificate or other document defined or referred to in this Agreement means such Contract, instrument, insurance policy, certificate or other document as from time to time amended, modified or supplemented, including (in the case of Contracts or instruments) by waiver or Consent and all attachments thereto and instruments and other documents incorporated therein.

## ARTICLE X
## GENERAL PROVISIONS

10.1 Expenses. Except as otherwise specifically provided in this Agreement, ABI and CBI shall bear their respective expenses, costs and fees (including attorneys', auditors' and financing fees, if any) in connection with the transactions contemplated hereby, including the preparation, execution and delivery of this Agreement and compliance herewith, whether or not the transactions contemplated hereby are effected.

10.2 Further Actions. Each party shall execute and deliver such certificates and other documents and take such other actions as may reasonably be requested by the other party in order to carry out the provisions of this Agreement and consummate and make effective the transactions contemplated by this Agreement.

10.3 Notices. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered personally, (b) mailed, certified or registered mail with postage prepaid, (c) sent by next-day or overnight mail or delivery or (d) sent by fax or telegram, as follows:

If to CBI:

Constellation Brands, Inc.
207 High Point Drive
Building 100
Victor, New York 14564
Attn: General Counsel
Telephone: +1 (585) 678-7266
Fax: +1 (585) 678-7103

with a required copy (which copy shall not constitute notice hereunder) to:

Nixon Peabody LLP
1300 Clinton Square
Rochester, New York 14604
Attn: James O. Bourdeau
Telephone: +1 (585) 263-1000
Fax: +1 (585) 263-1600

If to ABI:

Anheuser-Busch InBev SA/NV
Brouwerijplein 1
Leuven 3000
Belgium
Attn: Chief Legal Officer & Company Secretary
Telephone: +32 16 276942
Fax: +32 16 506699

with a copy (which copy shall not constitute notice hereunder) to:

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Attn: Frank J. Aquila
George J. Sampas
Krishna Veeraraghavan
Telephone: +1 (212) 558-4000
Fax: +1 (212) 558-3588

or, in each case, at such other address as may be specified in writing to the other party hereto.

All such notices, requests, demands, waivers and other communications so delivered, mailed or sent shall be deemed to have been received (i) if by personal delivery, on the day delivered, (ii) if by certified or registered mail, on the date of receipt, (iii) if by next-day or overnight mail or delivery, on the day delivered or (iv) if by fax or telegram, on the day on which such fax or telegram was sent, *provided* that a copy is also sent by certified or registered mail.

10.4 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns.

10.5 Disclosure Letters. Any disclosure contained in the ABI Disclosure Letter shall apply to any other section or subsection of such disclosure letter, where the applicability of such disclosure is reasonably apparent. The mere inclusion of any item in a disclosure letter as an exception to a representation or warranty of CBI or ABI in this Agreement shall not be deemed to be an admission that such item is a material exception, fact, event or circumstance, or that such item, individually or in the aggregate, has had or is reasonably expected to have, a Company Material Adverse Effect or trigger any other materiality qualification.

10.6 Assignment; Successors; Third-Party Beneficiaries. This Agreement shall not be assignable by any party hereto without the prior written consent of all of the other parties and any attempt to assign this Agreement without such consent shall be void and of no effect, except that ABI or CBI may assign, in whole or from time to time in part, to one or more of their respective Affiliates, any of their rights hereunder, but no such transfer or assignment shall relieve ABI or CBI of their respective obligations under this Agreement, as applicable.

10.7 Amendment; Waivers, Etc.No amendment, modification or discharge of this Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by the party against whom enforcement of the amendment, modification, discharge or waiver is sought. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the party granting such waiver in any other respect or at any other time. The waiver by any of the parties hereto of a breach of or a default under any of the provisions of this Agreement or to exercise any right or privilege hereunder, shall not be construed as a waiver of any other breach or default of a similar nature, or as a waiver of any of such provisions, rights or privileges hereunder. The rights and remedies herein provided are cumulative and none is exclusive of any other, or of any rights or remedies that any party may otherwise have at law or in equity.

10.8 Entire Agreement. This Agreement (including the schedules and exhibits hereto, which are incorporated into this Agreement by this reference and made a part hereof), the Confidentiality Agreement, dated as of May 26, 2012, by and between CBI, ABI and solely with respect to Section 2 thereof, Grupo Modelo (the "*Confidentiality Agreement*"), each of the Ancillary Agreements, the MIPA and the Interim Supply Agreement constitute the entire agreement among the parties with respect to the subject matter hereof and thereof, and supersede all prior or contemporaneous agreements and understandings, whether written or oral, among the parties hereto, or any of them, with respect to the subject matter hereof and thereof.

10.9 Severability. Whenever possible, each provision or portion of any provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable Law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision or portion of any provision in such jurisdiction, and this Agreement shall be reformed, construed and enforced in such jurisdiction in such manner as shall effect as nearly as lawfully possible the purposes and intent of such invalid, illegal or unenforceable provision.

10.10 Headings. The headings contained in this Agreement are for purposes of convenience only and shall not affect the meaning or interpretation of this Agreement.

10.11 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument.

10.12 Governing Law. This Agreement shall be governed by, enforced pursuant with and construed in accordance with the laws of the State of New York, without regard to the conflict of laws principles, to the extent such principles are not mandatorily applicable by statute and would require or permit the application of the laws of another jurisdiction.

10.13 Consent to Jurisdiction/Venue. Each party hereto hereby waives, to the extent permitted by Law, all jurisdictional defenses, objections as to venue and any rights to appeal, review or nullify such award by any court or tribunal. Each of the parties hereby submits to the exclusive jurisdiction of any court of competent jurisdiction in any Federal or State Court in the City of New York, County of New York, (the "*Specified Court*") in any action, suit or proceeding arising out of or relating to this Agreement and the non-exclusive jurisdiction of the Specified Court with respect to the enforcement of any award thereunder.

10.14 Specific Performance. (a) Each of the parties hereto hereby agree that (i) the Shares are a unique property, and (ii) irreparable damage would occur in the event that any provision of this Agreement was not performed in accordance with its specific terms or was otherwise breached, and that monetary damages or other legal remedies would not be an adequate remedy for any failure to purchase or sell the Shares or consummate the Purchase or for any such damages. Accordingly, except as otherwise provided in Section 7.6, the parties hereto acknowledge and hereby agree that in the event of any breach or threatened breach by ABI, on the one hand, or the Buyer Parties, on the other hand, of any of their respective covenants or obligations set forth in this Agreement, ABI, on the one hand, and the Buyer Parties, on the other hand, shall be entitled, in addition to all other remedies available under Law or equity, to an injunction or injunctions to prevent or restrain breaches or threatened breaches of this Agreement by the other (as applicable), and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other (as applicable) under this Agreement, and this right shall include the right of ABI to cause CBI to fully enforce the terms of the Financing Commitment, including by requiring CBI to file one or more lawsuits against the lenders party to the Financing Commitment to fully enforce the obligations of such lenders under the Financing Commitment, as well as the right of CBI to cause ABI to cause the Shares to be transferred to the Buyer Parties upon satisfaction or waiver of all conditions to ABI's obligation to transfer, or cause to be transferred, such Shares to the Buyer Parties.

(b) Each of ABI, on the one hand, and the Buyer Parties, on the other hand, hereby agrees not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches or threatened breaches of this Agreement by ABI or the Buyer Parties, as applicable, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of ABI or the Buyer Parties, as applicable, under this Agreement. Any party seeking an injunction or injunctions to prevent breaches or threatened breaches of, or to enforce compliance with, the terms and provisions of this Agreement shall not be required to provide any bond or other security in connection with such order or injunction. Subject to Section 7.6, the parties hereto further agree that (x) by seeking the remedies provided for in this Section 10.14, a party shall not in any respect waive its right to seek any other form of relief that may be available to a party under this Agreement (including monetary damages) and (y) nothing set forth in this Section 10.14 shall require any party hereto to institute any proceeding for (or limit any party's right to institute any proceeding for) specific performance under this Section 10.14 prior or as a condition to exercising any termination right under Article VIII (and pursuing

damages after such termination), nor shall the commencement of any legal proceeding pursuant to this Section 10.14 or anything set forth in this Section 10.14 restrict or limit any party's right to terminate this Agreement in accordance with the terms of Article VIII or pursue any other remedies under this Agreement that may be available then or thereafter. For the avoidance of doubt, the Buyer Parties acknowledge and hereby agree that ABI may pursue both a grant of specific performance and the Drag-Along Right (as defined in the MIPA), provided that ABI shall not be permitted or entitled to receive both a grant of specific performance and to consummate a Participatory Transaction (as defined in the MIPA). Unless the Closing has occurred, ABI's right to specific performance contained in this Section 10.14 and its rights pursuant to the Drag-Along Right (as defined in the MIPA) in Section 12.5 (b) of the MIPA shall be its sole and exclusive remedy for any breach or threatened breach of this Agreement by CBI.

*[Remainder of Page Intentionally Left Blank]*

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first written above.

**ANHEUSER-BUSCH INBEV SA/NV**

| /s/ Robert Golden | /s/ John Blood |
|---|---|
| By: | |
| Name: Bob Golden | John Blood |
| Title: Authorized Representative | Authorized Representative |

**CONSTELLATION BRANDS, INC.**

| /s/ Robert Sands |
|---|
| By: |
| Name: Robert Sands |
| Title: President and CEO |

*[Signature Page to SPA]*

**EXHIBIT A**

**FORM OF LICENSE AGREEMENT**

**EXECUTION COPY**
**CONFIDENTIAL**
**EXHIBIT B**
**TO EXECUTION COPY OF AMENDED MEMBERSHIP INTEREST PURCHASE AGREEMENT**

# AMENDED AND RESTATED SUB-LICENSE AGREEMENT

**BETWEEN**

**MARCAS MODELO, S.A. DE C.V.**

**AND**

**CONSTELLATION BEERS LTD.**

**DATED: _____, 2013**

# AMENDED AND RESTATED SUB-LICENSE AGREEMENT

This Amended and Restated Sub-license Agreement ("**Agreement**"), dated this day of , 2013, is by and between Marcas Modelo, S.A. de C.V., a sociedad anónima de capital variable organized under the laws of Mexico ("**Marcas Modelo**"), and Constellation Beers Ltd., a Maryland corporation ("**Constellation Beers**"), and amends and replaces, in its entirety, that certain Sublicense Agreement dated the 2nd day of January, 2007, as subsequently amended (the "**Original Agreement**") by and between Marcas Modelo and Crown Imports LLC, a Delaware limited liability company ("**Crown**").

**WITNESSETH:**

**WHEREAS**, on July 17, 2006, Diblo, S.A. de C.V., a Mexican variable stock corporation, and Barton Beers, Ltd., a Maryland corporation ("**Barton**"), agreed to establish and engage in a joint venture for the principal purpose of importing, marketing and selling Product (as defined below), and, in connection therewith, on January 2, 2007, caused Crown to be formed and Crown and Extrade II, S.A. de C.V., a sociedad anónima de capital variable organized under the laws of Mexico ("**Extrade II**") to enter into the Original Agreement;

**WHEREAS**, on February 4, 2009, Barton changed its name to Constellation Beers Ltd.;

**WHEREAS**, on June 28, 2012, Anheuser-Busch InBev SA/NV ("**ABI**"), Constellation Brands, Inc. ("**Constellation**"), Constellation Beers and Constellation Brands Beach Holdings, Inc. ("**Beach Holdings**") entered into that certain Membership Interest Purchase Agreement (the "**Membership Interest Purchase Agreement**"), pursuant to which ABI and Constellation agreed, *inter alia*, to amend and restate the Original Agreement;

**WHEREAS**, on [•], 2013, ABI, Constellation, Constellation Beers and Beach Holdings amended the Membership Interest Purchase Agreement to provide for the amendment and restatement of the Original Agreement as set forth herein;

**WHEREAS**, on [ ] 2013, ABI and CBI have entered into that certain Stock Purchase Agreement (the "**Brewery SPA**"), pursuant to which CBI agreed to purchase, or cause to be purchased by its designee(s), all of the issued and outstanding shares of capital stock of Compañia Cervecera de Coahuila, S.A. de C.V., a sociedad anónima de capital variable organized under the laws of Mexico, and all of the issued and outstanding shares of capital stock of Servicios Modelo de Coahuila, S.A. de C.V., a sociedad anónima de capital variable organized under the laws of Mexico;

**WHEREAS**, pursuant to the Interim Supply Agreement (as defined below), beginning on the date hereof, Grupo Modelo (defined below) will supply to Crown Interim Products (as defined below);

**WHEREAS**, substantially contemporaneously with the execution of this Agreement, Constellation Beers or its assignee intends to sublicense directly or indirectly certain rights provided by this Agreement to Crown (the "**Crown Sub-License**");

**WHEREAS**, for United States federal income tax purposes, Marcas Modelo and Constellation Beers intend to treat the execution of this Agreement together with the Crown Sub-License as a sale by Marcas Modelo of its rights and responsibilities under the Original Agreement, together with such other rights and responsibilities as are further described in this Agreement, to Constellation Beers in exchange for all or a portion of the payments provided for in that certain Brewery SPA, dated as of February , 2013, by and between ABI and Constellation; and

**WHEREAS**, it is the intent of the parties that Constellation Beers shall have the right to make, and have made Importer Products (as defined below), pursuant to the terms of this Agreement and Marcas Modelo agrees to grant Constellation Beers the rights set forth herein with respect thereto.

**NOW, THEREFORE**, in consideration of the payment as provided for in that certain Brewery SPA, dated as of February , 2013, by and between ABI and Constellation, and those covenants and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

## ARTICLE I
## DEFINITIONS

1.1 For purposes of this Agreement, the following terms have the meanings set forth below:

"**ABI**" has the meaning assigned to that term in the Recitals.

"**Abandoned Trademarks**" means those trademarks evidenced by the trademark applications and registrations described in **Exhibit A** to this Agreement.

"**Additional Trademarks**" means those trademarks evidenced by the trademark applications and registrations described in **Exhibit B** to this Agreement, as such Exhibit may be amended or supplemented from time to time in accordance with this Agreement.

"**Affiliate**" of any Person means any other Person which, directly or indirectly, controls or is controlled by that Person, or is under common control with that Person. For purposes of this definition, "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"**Agreement**" has the meaning assigned to that term in the Preamble.

"**Barton**" has the meaning assigned to that term in the Recitals.

**"Beach Holdings"** has the meaning assigned to that term in the Recitals.

"**Beer**" means beer, ale, porter, stout, malt beverages, and any other versions or combinations of the foregoing, including non-alcoholic versions of any of the foregoing.

"**Bottle Designs**" means the shape and designs of [glass] bottles that bear any Trademark or constitute Trade Dress.

"**Brand Extension Beer**" means Beer packaged in Containers bearing a Brand Extension Mark.

"**Brand Extension Mark**" means a Mark that is a derivative of one or more of the Trademarks for use in the marketing, merchandising, promotion, advertisement (including sponsorship activities in connection with the foregoing), licensing, distribution and sale of Mexican-style Beer.

"**Brand Guidelines**" means the applicable Brand Guidelines for an Interim Product or Importer Product as attached hereto as **Exhibit C**.

"**Brewery SPA**" has the meaning assigned to that term in the Recitals.

"**Brewing Territory**" means Mexico; provided however, if at any time after the date of this Agreement (a) Modelo Group manufacturers or has manufactured on its behalf any Product outside of Mexico (other than as a result of a Force Majeure Event, and in that case, only to the extent of, and for the duration of, such Force Majeure Event), the "Brewing Territory" with respect to such Product shall automatically be deemed to be worldwide; and (b) upon occurrence of a Force Majeure Event adversely affecting the capacity of the brewing facilities of Constellation or its Affiliates in Mexico to meet demand for Products, then, for the duration of such Force Majeure Event, the Brewing Territory with respect to Beer produced at such facility shall be worldwide.

"**Business Day**" means any day, other than Saturday, Sunday or a day on which banking institutions in New York, New York, Chicago, Illinois, or Mexico City, Mexico are authorized or obligated by law to close.

"**Chelada Trademarks**" means those Trademarks evidenced by the trademark registrations and applications described in **Exhibit E** to this Agreement.

"**Confidential Information**" means all information and materials regarding the business of either party that are identified in writing by the party to be confidential information or which a party should reasonably believe to be confidential information of a party, including business plans, formulas, know-how, financial information, historical financial statements, financial projections and budgets, historical and projected sales, pricing strategies and other pricing information, marketing plans, research and consumer insights, capital spending budgets and plans, the names and backgrounds of key personnel, personnel policies, plans, training techniques and materials, organizational strategies and plans, employment or consulting agreement information, customer agreements and information (including for distributors or retailers), names and terms of arrangements with vendors or suppliers, or other similar information, all of which includes all non-public data, information and materials delivered to Marcas Modelo or Grupo Modelo pursuant to the inspection rights set forth herein, including

**Sections 3.6, 3.7** and **3.8**, whether or not marked as or otherwise reasonably believed to be confidential. Inadvertent failure to identify information as confidential, may be corrected by the producing person by written notice to the other party, and once confidential information has been identified as Confidential Information by a party, failure to do so in all communications containing that information shall not cause the information to be treated in a non-confidential manner. "**Confidential Information**" does not include, however, information which (a) is or becomes generally available to the public other than as a result of a breach by the receiving party or its Affiliates of its obligations of confidentiality and non-use set forth herein, (b) was available to the receiving party or its Affiliates on a non-confidential basis prior to its disclosure by the disclosing party, or (c) becomes available to the receiving party on a non-confidential basis from a person other than Constellation Beers or any of its Affiliates.

"**Confidentiality Agreement**" has the meaning assigned to that term in **Section 9.6**.

"**confusingly similar"** (or "**likely to cause confusion**") means, with respect to any use of a Mark or elements of trade dress that are protectable under applicable law, that such use would be determined to give rise to a likelihood of confusion pursuant to federal trademark law as interpreted and applied in the federal courts in the State of New York.

**"Constellation**" has the meaning assigned to that term in the Recitals.

**"Constellation Beers"** shall have the meaning assigned to that term in the Preamble, and shall include any assign of Constellation Beers permitted under **Section 8.1** of this Agreement, and in connection with the importation and distribution of Product in the Territory.

"**Constellation Beers Indemnitees**" has the meaning assigned to that term in **Section 5.2**.

"**Container**" means the bottle, can, keg or similar receptacle in which the Beer is directly placed.

**"Crown"** has the meaning assigned to that term in the Preamble.

"**Crown Sub-License**" has the meaning assigned to that term in the Recitals.

"**Crown Trademarks**" means those Trademarks evidenced by the following trademark registration numbers 3,584,879 (Crown Imports) and 3,581,601 (Crown Imports and Design).

"**Damages**" has the meaning assigned to that term in **Section 5.1**.

"**Disagreement Notice**" has the meaning assigned to that term in **Section 3.10(b)**.

"**Eligible Supplier**" means a Person, other than Constellation Beers and Grupo Modelo, that is capable of manufacturing Importer Products in a manner that meets or exceeds the Quality Standards.

"**Extrade II**" has the meaning assigned to that term in the Recitals.

"**Force Majeure Event**" means events or circumstances beyond the reasonable control of a party that significantly interfere with such party's ability to manufacture Product at any brewing facility or deliver the Products to the Territory such as such events or circumstances arising from acts of God, strikes, lockouts or industrial disputes or disturbances, changes in law or governmental regulations, any taking or pending taking in condemnation or under the right of eminent domain or similar right, acts of civil or military authorities, civil disturbances, arrests or restraint from rulers or people, wars, acts of terrorism, riots, blockades, insurrections, epidemics, blights, plagues, landslides, lightning, earthquakes, fire, storm, weather, floods, washouts, explosions, strikes, the inability to obtain raw materials, the malfunction or breakdown of any machinery or equipment, the failure or malfunction of any utilities, telecommunications systems or common carriers, any labor, material or fuel shortages, or other physical supply or distribution constraints.

"**Grupo Modelo**" means Grupo Modelo, S.A.B. de C.V., a sociedad anónima de capital variable organized under the laws of Mexico, and its Subsidiaries, or any of them.

"**Importer Product**" means Product or Brand Extension Beer produced in the Brewing Territory by Constellation Beers or on behalf of Constellation Beers or an Affiliate of Constellation Beers by a Supplier pursuant to a Supply Agreement, in each case, solely for import, distribution and sale, including resale, by Constellation Beers in the Territory.

"**Interim Product**" means Product supplied to Constellation Beers pursuant to the Interim Supply Agreement.

"**Interim Supply Agreement**" means that certain Interim Supply Agreement dated as of [•] by and between Grupo Modelo, S.A.B de C.V., and Crown.

"**law**", unless otherwise expressly stated in this Agreement, includes statutes, regulations, decrees, ordinances and other governmental requirements, whether federal, state, local or of other authority.

"**Liability Insurance**" has the meaning assigned to that term in **Section 5.3**.

"**Licensed Copyrights**" means all copyrights owned by either Constellation Beers or its Affiliates or Grupo Modelo, in each case, in and to Marketing Materials and Secondary Marketing Materials, as applicable.

"**Licensed Intellectual Property**" means the Licensed Copyrights, Licensed Other IP, Licensed Patents and the Trademarks.

"**Licensed Other IP**" means any of the following rights, including intellectual property rights, that are owned or controlled by Grupo Modelo existing as of the date of this Agreement or required to be provided pursuant to this Agreement with respect to Interim Products or Importer Products: (a) the Recipes, (b) the trade secrets and know-how (including methods and processes), that are used for formulating, manufacturing, producing and packaging Products, (c) protectable elements of the Trade Dress, and (d) the mold designs that may be protectable that are used in the manufacturing process of Containers for the Products for import, distribution and sale in the Territory.

"**Licensed Patents**" means all patents and any pending patent applications, if any, that are (a) owned as of the date of this Agreement by Grupo Modelo entities that are engaged in brewing, bottling or packaging of Products for distribution in the Territory (including divisions, continuations, continuations-in-part, extensions and reissues claiming priority to any of the foregoing patents or patent applications), and (b) practiced as of the date of this Agreement by Grupo Modelo in the formulation, manufacture, production or packaging of Products for distribution in the Territory.

"**Marcas Modelo**" has the meaning assigned to that term in the Preamble.

"**Marketing Materials**" means sales collateral, promotional materials, advertisements, slogans, taglines, developed by either Constellation Beers or its Affiliates or Grupo Modelo, whether or not works of authorship, registered or unregistered, used in conjunction with the advertising, promotion and marketing of Products in the Territory, provided, however, that "Secondary Marketing Materials" are not included therein.

"**Marks**" means any and all trademarks, service marks, trade names, taglines, company names, and logos, including unregistered and common-law rights in the foregoing, and rights under registrations of and applications to register the foregoing.

"**Membership Interest Purchase Agreement**" has the meaning assigned to that term in the Recitals.

"**Mexican-style Beer**" means any Beer bearing the Trademarks that does not bear any trademarks, trade names or trade dress that would reasonably be interpreted to imply to consumers in the Territory an origin other than Mexico.

"**Modelo Group**" means Grupo Modelo and all Persons that, now or in the future, are related to Grupo Modelo by virtue of Grupo Modelo's direct or indirect share ownership in such Person, and any Affiliates thereof, and ABI, Anheuser-Busch Companies, LLC, Anheuser-Busch International, Inc., Anheuser-Busch International Holdings, LLC, and any of their respective Affiliates.

"**Modelo Indemnitees**" has the meaning assigned to that term in **Section 5.1**.

"**Non-Exclusive Trademarks**" means those Trademarks evidenced by the trademark registrations and applications described in **Exhibit F** to this Agreement.

"**Original Agreement**" has the meaning assigned to that term in the Preamble.

"**Packaging**" means cases, cartons or the like into which Containers may be placed, or other packaging into which such cases, cartons or the like themselves may be placed for transport, shipping or display, or delivery to consumers.

"**Parent Product**" means a Product bearing a Parent Trademark.

"**Parent Trademark**" means a Trademark from which a Brand Extension Mark is derived.

**"Permitted Corporate Reference**" has the meaning assigned to that term in **Section 2.5(b)**.

"**Person**" means any individual, corporation, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, a company with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal representative, regulatory body or agency, government or governmental agency, authority or entity, however designated or constituted.

"**Product**" means Beer packaged in Containers bearing one or more of the Trademarks.

"**Qualified Brewmaster**" means a brewmaster that is independent and impartial and recognized in the Beer brewing industry for his or her expertise relating to the subject matter at issue.

"**Quality Default**" means either (a) a defect in a Product or Packaging, or (b) a deviation from the intended recipe and taste formula or Technical Specifications for any Product which causes an adverse change in intended taste, consistency or mouth feel of the Product, in each case, that would reasonably be perceptible by a consumer.

"**Quality Default Cure Failure**" has the meaning assigned to that term in **Section 3.10(a)**.

"**Quality Default Cure Failure Notice**" has the meaning assigned to that term in **Section 3.10(a)**.

"**Quality Default Notice**" has the meaning assigned to that term in **Section 3.10(a)**.

"**Quality Standards**" with respect to the Beer, means that such Beer is consistently produced pursuant to the Recipe and Technical Specifications for such Product without a Quality Default; provided, however, that in all cases the Product, including physical and sensory characteristics of such Product, shall be merchantable, meet any applicable regulatory standards, and shall be free from microbiological defects and defects in aroma, flavor or appearance, such that such Importer Product would not be deemed to be defective by a Qualified Brewmaster. With respect to Containers, "**Quality Standards**" means that they are merchantable, meet any applicable regulatory standards, and are sufficient to contain, ship and store Product for the requisite planned period as set out in **Section 3.3**.

"**Recipe**" means the description and measure of ingredients, raw materials, yeast cultures, formulas, brewing processes, equipment, and other information that is reasonably necessary for a brewmaster to produce a particular Beer and includes any Recipe for a Product existing as of the date hereof and any Recipe delivered by either party to the other party under this Agreement, or otherwise used or developed in compliance with this Agreement, after the date hereof.

"**representatives**" means, with respect to Marcas Modelo, any employee or agent of Marcas Modelo, but excluding any employee or agent involved in the marketing, sale, production or pricing of Beer in the Territory for the Modelo Group.

"**Secondary Marketing Materials**" means images, photography, displays, slogans, taglines which do not employ the Trademarks or the Trade Dress; for clarity, event promotional materials, colors of displays and the like shall be considered "Secondary Marketing Materials."

"**Subsidiary**" means, with respect to any Person, a corporation, partnership, joint venture, limited liability company, trust, estate or other Person of which (or in which), directly or indirectly, more than fifty percent (50%) of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors, managers or others performing similar functions of such entity (irrespective of whether at the time capital stock of any other class or classes of such entity shall or might have voting power upon the occurrence of any contingency), (b) the interest in the capital or profits of such partnership, joint venture or limited liability company or other Person or (c) the beneficial interest in such trust or estate is at the time owned by such first Person, or by such first Person and one (1) or more of its other Subsidiaries or by one (1) or more of such Person's other Subsidiaries.

"**Supplier**" means an Eligible Supplier that has entered into a Supply Agreement with Constellation Beers.

"**Supply Agreement**" means an agreement that complies with the requirements set forth in this Agreement between Constellation Beers and an Eligible Supplier for such Eligible Supplier to manufacture, bottle or package Importer Products.

"**Technical Specifications**" means those technical specifications used by or on behalf of Marcas Modelo or any of its Affiliates with respect to the manufacture, bottling and packaging of Importer Products or Interim Products as may be amended from time to time as permitted in this Agreement. It shall not be considered a breach hereof if technical specifications and processes are changed to equivalent technical specifications and processes, so long as the resulting technical and chemical attributes of the Products resulting therefrom do not impair the finished product, as would be determined by a reasonable Qualified Brewmaster.

"**Territory**" means the fifty states of the United States of America, the District of Columbia and Guam.

"**Third Party**" means a Person other than Marcas Modelo and its Affiliates and other than Constellation Beers and its Affiliates.

"**Trade Dress**" means the print, style, font, color, graphics, labels, packaging and other elements of trade dress (including Bottle Designs or other Container designs) that are (a) used on or in connection with Products as of the date hereof (including the Bottle Designs as of the date hereof for Corona, Negra Modelo and Modelo Especial), or (b) permitted pursuant to this Agreement after the date hereof to be used in connection with the marketing, merchandising, promotion, advertisement, licensing, distribution and sale of Products in the Territory.

"**Trademarks**" means those trademarks evidenced by the trademark applications and registrations described in either **Exhibit B** or in **Exhibit D** to this Agreement, as such Exhibits may be amended or supplemented from time to time in accordance with this Agreement.

"**Transition Period**" means (a) for Packaging, a period not to exceed eighteen (18) months after the date of this Agreement, and (b) for Containers, a period not to exceed twelve (12) months after the date of this Agreement.

"**USPTO**" means the United States Patent and Trademark Office.

"**West Coast Importer Agreement**" means the importer agreement, dated as of November 22, 1996, by and between Barton and Extrade, S.A. de C.V., as amended.

**1.2 Construction**

(a) Unless the context of this Agreement otherwise requires, (i) words of any gender include each other gender; (ii) words using the singular or plural number also include the plural or singular number, respectively; (iii) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement; (iv) the terms "Article," "Section," "Schedule" or "Exhibit" refer to the specified Article, Section, Schedule or Exhibit of this Agreement, unless otherwise specifically stated; (v) the words "include" or "including" shall mean "include, without limitation" or "including, without limitation;" and (vi) the word "or" shall be disjunctive but not exclusive.

(b) Unless the context otherwise requires, references to agreements and other documents shall be deemed to include all subsequent amendments and other modifications thereto.

(c) Unless the context otherwise requires, references to statutes shall include all regulations promulgated thereunder and, except to the extent specifically provided below, references to statutes or regulations shall be construed as including all statutory and regulatory provisions consolidating, amending or replacing the statute or regulation.

(d) The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party. This Agreement is the joint drafting product of the parties hereto and each provision has been subject to negotiation and agreement and shall not be construed for or against any party as drafter thereof.

(e) All amounts in this Agreement are stated and shall be paid in United States dollars.

## ARTICLE II
## GRANT OF LICENSE; INTELLECTUAL PROPERTY; SUPPLY

**2.1 Licenses.**

(a) ***Trademarks***. Subject to the terms and conditions of this Agreement, Marcas Modelo hereby grants, on behalf of itself and Grupo Modelo, to Constellation Beers an irrevocable, exclusive, fully paid-up, sub-license to use the Trademarks solely in connection with: (i) importing, advertising, promoting, marketing and selling Importer Products and Interim Products in the Territory; (ii) the application of the Trademarks to Importer Product in the course

of manufacturing, bottling and packaging of Importer Products in the applicable Brewing Territory (which foregoing rights with respect to manufacturing, bottling and packaging are, for clarity, non-exclusive) solely for importation, distribution and sale, including resale, of such Importer Products by Constellation Beers in the Territory; (iii) distributing in the Territory collateral sales and promotional materials for Importer Products and Interim Products in the Territory (which foregoing rights with respect to importation, distribution and sale in the Territory are exclusive); and (iv) distributing in the Territory other items to be marketed and sold or provided without charge to consumers in conjunction with the advertising, promotion and marketing of Importer Products and Interim Products in the Territory. Any use of the Trademarks shall be subject to the provisions of **Section 2.4** of this Agreement. Marcas Modelo represents and warrants to Constellation Beers that Marcas Modelo has full authority and right to grant the sub-licenses to Constellation Beers as set forth in this Agreement. For the purposes of this Agreement, it is understood that the use by Constellation Beers of the Trademarks in connection with advertising and promotional material as authorized under this **Section 2.1** that may be accessible to Persons residing outside the Territory, (such as the use in a Uniform Resource Locator (URL), domain or similar future electronic address or on an internet site or in a periodical that may have some distribution outside the Territory or use with respect to any Facebook® page, Twitter® account, Pinterest® account or similar social media, telephone numbers, or other means of directing marketing or sales of Product in the Territory which may contain the Trademarks, whether such means are now known or developed in the future), shall not be a violation of this Agreement provided that: (a) the media chosen is not primarily directed to Persons residing outside the Territory or chosen with the intent of communicating with Persons residing outside the Territory as in the case of a website with an address indicating a source in a foreign country (e.g. .ca) or a periodical that is primarily distributed to Persons outside the Territory; and (b) Constellation Beers is in compliance with **Section 2.12(f)** below. Notwithstanding anything set forth in this Agreement, Constellation Beers shall have the right to use in the Territory or Brewing Territory the name "Crown" and the Crown Trademarks as its corporate or trade name for the purposes of identifying itself in print (or any other visually perceptible medium) in each case accompanied by an appropriate corporate identifier such as "Crown Imports LLC" (which use in association with products must also include a designation of the product as having been "bottled by", "produced by", "hecho", or "imported by" or the like by such company), as required by law or regulation, or for purposes of government filings, corporate annual reports and other uses that would constitute "fair use" under applicable trademark law, provided, however, in each case, that Constellation Beers shall not, and shall cause its Affiliates not to, use the word "Crown" or the Crown Trademarks in any form or combination as a product brand name for a Beer.

(b) ***Licensed Other IP***. Subject to the terms and conditions of this Agreement, Marcas Modelo hereby grants, on behalf of itself and Grupo Modelo, to Constellation Beers an irrevocable, fully paid-up sub-license to use the Licensed Other IP solely in connection with (i) importing, advertising, promoting, marketing and selling Importer Products and Interim Products in the Territory; (ii) manufacturing, bottling and packaging of Importer Products in the applicable Brewing Territory, solely for distribution and sale, including resale, of such Importer Products by Constellation Beers in the Territory; (iii) distributing in the Territory collateral sales and promotional materials for promotion of Importer Products and Interim Products for sale in the Territory; and (iv) distributing in the Territory other items to be marketed and sold or provided without charge to consumers in conjunction with the advertising, promotion and marketing of Importer Products and Interim Products in the Territory. The license rights granted in clause **(ii)** of this **Section 2.1(b)** shall be non-exclusive and the license granted in clauses **(i)**, **(iii)**, and **(iv)** of this **Section 2.1(b)** shall, subject to **Sections 2.5(a)** and **2.5(b)**, be exclusive solely in the Territory.

(c) ***Licensed Patents.*** Subject to the terms and conditions of this Agreement, Marcas Modelo hereby grants, on behalf of itself and Grupo Modelo, to Constellation Beers an irrevocable, fully paid-up license or sub-license (as applicable) under the Licensed Patents (i) to make, have made (by Suppliers in accordance with this Agreement) and use Importer Products in the applicable Brewing Territory, and (ii) to sell (directly and/or indirectly), offer to sell, import and otherwise dispose of Interim Products and Importer Products in the Territory. The license rights granted in clause **(i)** of this **Section 2.1(c)** shall be non-exclusive and the license granted in clause **(ii)** of this **Section 2.1(c)** shall be exclusive solely in the Territory.

(d) **Licensed Copyrights.**

(i) Subject to the terms and conditions of this Agreement, Marcas Modelo hereby grants, on behalf of itself and Grupo Modelo, to Constellation Beers an irrevocable, exclusive, fully paid-up license or sub-license (as applicable) under the Licensed Copyrights owned by Grupo Modelo in the Territory to copy, modify, create derivative works of, publicly display and distribute Marketing Materials or Secondary Marketing Materials existing at the time of entering into this Agreement to the extent that they may have been transferred by or on behalf of Crown to Grupo Modelo under the Original Agreement, in each case solely in connection with the marketing, promotion and sale of Importer Products and Interim Product in the Territory.

(ii) Subject to the terms and conditions of this Agreement, Constellation Beers hereby grants to Marcas Modelo and its Affiliates an irrevocable, exclusive, fully paid-up license or sub-license (as applicable) under the Licensed Copyrights owned by Constellation Beers or its Affiliates outside of the Territory to copy, modify, create derivative works of, publicly display and distribute Marketing Materials and Secondary Marketing Materials existing as of the date of this Agreement, in each case solely in connection with the marketing, promotion and sale of Products outside of the Territory.

(e) ***Constellation Use of "Modelo"***. Constellation Beers shall have the right to use the term "Cerveceria Modelo" or any derivation thereof (i) in the Territory as such term is included in the Trademarks or Trade Dress as currently existing (or to substitute for uses of "Grupo Modelo" in the Trademarks and Trade Dress currently used in the Products), (ii) for the purposes of identifying in print (or any other visually perceptible medium) that Importer Products marketed and sold in the Territory have been "bottled by", "produced by", "made by", "hecho", "imported by" of the like by "Cerveceria Modelo, and (iii) as the fictitious name or "d/b/a" for its brewery located in Mexico, in each case, (1) only in connection with the exercise of the licenses granted in this Section 2.1, and (2) provided that such use is not likely to cause confusion with the uses described in **Section 2.5(b)**. Marcas Modelo will reasonably cooperate at the cost of Constellation Beers in reasonable requests of Constellation Beers to establish the rights identified in the foregoing clauses (i) through (iii) of this Section 2.1(e). All rights set forth in this Section 2.1(e) are provided on an "AS IS" basis without any warranty of any kind, express or implied, including as to the sufficiency of rights or the compliance of any exercise of such rights with applicable laws. Constellation will use reasonable efforts to wind-down all uses of the term

"Grupo Modelo" or "Modelo Group" as soon as reasonably practicable after the date of this Agreement and shall ceases all such uses in connection with any Beer products marketed or sold in the Territory within the Transition Period. Nothing in this Agreement shall prevent Constellation Beers from using "Cerveza Modelo" or derivatives thereof in the promotion or sale of Importer Products in the Territory. Constellation Beers shall have the right to use "Cerveza Modelo" or any derivation thereof. Notwithstanding the foregoing, and except during the Transition Period, the name "Cerveceria Modelo" or "Cerveceria del Pacifico" will be used only as a trade name and not with any foreign corporate identifier such as "S.A. de C.V. – Mexico" or "S.A" or other such identifier that may be likely to cause confusion with the brewery entity owned by Grupo Modelo.

(f) ***Chelada Trademarks***. Notwithstanding **Section 2.1(a)**, Constellation Beers acknowledges and agrees that it is in the mutual interests of the parties to avoid the potential for consumer confusion arising from the use of similar Marks, and absent any change, there may be a potential for confusion with respect to the Chelada Trademarks and certain existing Marks of the Modelo Group. Accordingly, Constellation Beers agrees that it will as soon as reasonably practicable after the date of this Agreement, but in any case within the Transition Period, cease all use of the Chelada Trademarks in their existing form including on labels and other Containers for Products, provided that, Constellation Beers may adopt or use Trademarks evidenced in the Chelada Trademarks that do not contain a depiction of the glass in the background of those Trademarks, and at the discretion of Constellation Beers, it may file and maintain applications for such registrations so modified.

(g) ***Non-Exclusive Trademarks***. Notwithstanding **Section 2.1(a)**, the rights of Constellation Beers under **Section 2.1(a)** shall be deemed to be non-exclusive right respect to the Non-Exclusive Trademarks, and Marcas Modelo shall retain the right to use and sublicense the Non-Exclusive Trademarks or otherwise refer to the terms "Familiar", "Cinco" or "Cinco De Mayo" or similar terms for any purpose including in connection with the marketing, promotion, distribution and sale of Beer in the Territory.

(h) ***Materials***. For avoidance of doubt, Constellation Beers shall have the right to purchase raw materials, including recipe ingredients and Containers, anywhere in the world so long as they comply with the Quality Standards; provided, that the actual brewing and bottling of Importer Product shall take place in the applicable Brewing Territory in accordance with the terms and conditions of this Agreement.

(i) ***Certain Trade Names***. In connection with the exclusive license granted in **Section 2.1(a)** above, Marcas Modelo and any other member of the Modelo Group shall not use in the Territory any Trademark as a corporate or trade name in connection with the importation, sale, distribution or marketing of Beer in the Territory, except as permitted in **Section 2.5(b)** below, and, further, Marcas Modelo or any of its Affiliates may not use any Abandoned Trademark on any Beer marketed or sold in the Territory in a manner which is likely to cause confusion.

2.2 ***Changes to Recipes***.

(a) Should Marcas Modelo or Grupo Modelo make any reasonably perceptible change to any Recipe for any Product or Brand Extension Beer marketed in Mexico or Canada, Marcas Modelo will notify Constellation Beers that a change has been made and, at the request of Constellation Beers, Constellation Beers may (but shall not be obligated to) adopt such new or changed Recipe and, if Constellation Beers so elects, the new or changed Recipe and the Licensed Other IP with respect to such Recipe will be added to the licenses granted in **Section 2.1** of this Agreement, at no additional cost or charge to Constellation Beers.

(b) Should Constellation Beers or any of its Affiliates make any reasonably perceptible change to any Recipe for any Brand Extension Beer marketed in the Territory, Constellation Beers will notify the Marcas Modelo that a change has been made and, at the request of Marcas Modelo, Marcas Modelo may (but shall not be obligated to) adopt such new or changed Recipe and, if Marcas Modelo so elects, the new or changed Recipe and the Licensed Other IP with respect to such Recipe will be deemed to be licensed by Constellation Beers to Grupo Modelo on the same terms as the grants to Constellation Beers under **Section 2.1**, provided that the Territory for such license shall be for production worldwide solely for distribution of product outside of the Territory. For clarity, nothing in this **Section 2.2** or otherwise in this Agreement shall be construed as authorizing Constellation Beers to make any change to the Recipe for any existing Product.

2.3 ***Amendment of Trademark Exhibits***. **Exhibit B** and **Exhibit D** shall be amended to reflect any Marks (including Brand Extension Marks) added to or removed from or deemed to be added to or removed from **Exhibit B** or **Exhibit D** pursuant to the terms of this Agreement (including the addition of Trademarks in accordance with **Section 2.8(b)**, the removal of Trademarks in accordance with **Section 2.8(c)**, and the removal of Trademarks associated with brands abandoned by Constellation Beers as set forth in **Section 2.14**).

2.4 ***Acceptable Trademark Use***.

(a) *Form of Trademarks*. Constellation Beers may not use or allow the use of any of the Trademarks, including use on labels, packaging, promotional materials, displays and in advertising and promotion, except in a form, color, style and appearance reasonably consistent with the applicable Brand Guidelines.

(b) *Prior Use*. Subject to **Section 2.4(a)**, for purposes of this Agreement, (i) any materials supplied by or on behalf of Marcas Modelo to Constellation Beers bearing any of the Trademarks for use in connection with the performance of this Agreement and Importer Agreement or the Original Agreement, (ii) any materials previously used by Crown or Barton with the knowledge of Grupo Modelo, including pursuant to the West Coast Importer Agreement, the Modelo Sub-license Agreement, and/or the Pacifico Sub-license Agreement by and between Procermex, Inc. and Barton dated November 22, 1996, and (iii) any materials previously used by Crown with the knowledge of Grupo Modelo pursuant to the Original Agreement and Importer Agreement, shall be deemed to comply with the terms and conditions of this Agreement for ordinary use in the performance of this Agreement.

2.5 ***Retained Rights and Obligations of Marcas Modelo***.

(a) Notwithstanding **Section 2.1**, Marcas Modelo may use and may grant sub-licenses to use the Trademarks in the Territory in connection with (i) existing sponsorship activities, including any promotion, marketing or advertising of the Importer Products and Interim Products in the Territory that Marcas Modelo or its Affiliates is required to conduct pursuant to an agreement with a Third Party in effect on the date hereof until such agreement is terminated or expires in accordance with its terms, (ii) global sponsorship and worldwide promotional activities, including any internet-based or social media promotion, marketing or advertising of the Importer Products and Interim Products, as long as such activities are not primarily directed to Persons in the Territory, even if such activities involve advertising and other similar content that may be located in the Territory or accessible to Persons residing in the Territory, (iii) distributing or otherwise providing promotional materials or merchandise with charge or merchandise in the Territory solely in connection with the activities described in clauses **(i)** and **(ii)** of **Section 2.5(a)** above or in connection with contractual commitments of Grupo Modelo existing as of the date of this Agreement, provided that such contractual commitments are not voluntarily renewed by Grupo Modelo and Marcas Modelo uses commercially reasonable efforts to wind-down and terminate such commitments without incurring liabilities or breaching any obligation, and (iv) of government filings, corporate annual reports, printed historical references and other print uses that would constitute "fair use" under applicable trademark law.

(b) Notwithstanding anything set forth in this Agreement, Marcas Modelo and Grupo Modelo shall have the right to use inside the Territory (i) "Cerveceria Modelo", or (ii) a corporate name including "Grupo Modelo" , and which in each case is accompanied by an appropriate corporate identifier, such as "Grupo Modelo S.A.de C.V.", (collectively, "**Permitted Corporate Reference**") for the purposes of identifying themselves in print (or any other visually perceptible medium) (which use in association with products or promotion of products must also include a designation of the product as having been "bottled by", "produced by", "made by", "hecho","imported by" or the like by such company or brewery), so long as such Permitted Corporate Reference is not displayed on a consumer-facing label of a Container or primary consumer directed panel of Packaging unless required to comply with applicable laws in the Territory, or in a manner likely to cause confusion with respect to the Trademarks.

(c) Notwithstanding anything set forth in this Agreement, Marcas Modelo or Modelo Group may use the Permitted Corporate Reference, Trademarks or Trade Dress for purposes of government filings, corporate annual reports, printed historical references and other uses that would constitute "fair use" under applicable trademark law.

(d) Under no circumstances may "Modelo" be used by Marcas Modelo or any of its Affiliates in any form or combination as a product brand name for marketing, promotion or sale of Beer in Territory. Notwithstanding anything set forth in this Agreement, Marcas Modelo and its Affiliates may use any Internet domain name (or other, similar or successor electronic address) or social media (including Facebook® page, Twitter® account, Pinterest® account or the like) containing any of their corporate or trade names or respective Marks, including the Trademarks; provided that: (a) the media chosen is not primarily directed to Persons residing in the Territory or chosen with the intent of communicating with Persons residing in the Territory or a periodical that is primarily distributed to Persons in the Territory; and (b) Marcas Modelo or Grupo Modelo are in compliance with **Section 2.5(f)** below. Marcas Modelo and Constellation Beers shall reasonably cooperate to determine and agree upon in good faith appropriate and

commercially reasonable policies and procedures for referring to the other party visitors to their respective websites or social media outlets that indicate an interest in the Products in the territory of the other party with the understanding that (i) online content directed to the marketing or sale of Importer Products to consumers in the Territory would be under the direction of Constellation Beers and (ii) online content directed to the marketing or sale of Products to consumers outside of the Territory would under the direction of Marcas Modelo. Constellation Beers obtains no right, title, or interest in or to any Marks hereunder other than the Trademarks, and all rights not granted to Constellation Beers hereunder are hereby expressly reserved. Nothing herein shall preclude Marcas Modelo or any member of the Modelo Group from (A) using any of their respective Marks, other than the Trademarks, for any purpose or (B) registering or displaying their respective Marks, in each case, other than the Trademarks, in any territory in the world, including the Territory.

(e) Marcas Modelo shall, and shall cause Grupo Modelo to, deliver to Constellation Beers copies of tangible embodiments of the Licensed Other IP used as of the date of this Agreement, or as required pursuant to **Section 2.2** hereof, by Marcas Modelo or its Subsidiaries in brewing Product, as reasonably necessary for Constellation Beers to exercise its rights under clause **(ii)** of **Section 2.1 (b)**. Constellation Beers shall, and shall cause its applicable Affiliates to, deliver to Marcas Modelo copies of tangible embodiments of the Recipes as required pursuant to **Section 2.2** hereof as reasonably necessary for Marcas Modelo to exercise its rights under **Section 2.2(b)**.

(f) Marcas Modelo shall not, and shall not permit any member of the Modelo Group to, sell any Products to any buyers located in the Territory, and shall, and shall cause all members of the Modelo Group, to use commercially reasonable efforts to prevent buyers from reselling such Products in the Territory or in any manner not authorized by this Agreement (including by not selling to exporters or buyers who are known, or would reasonably be expected, to resell inside of the Territory); for clarity, it shall not be a breach of this Agreement to sell or distribute to cruise lines, airlines, tour operators and the like located outside of the Territory, so long as the Products are delivered outside of the Territory.

(g) Without limiting any rights of the parties at law or in equity, Marcas Modelo shall not, and shall not permit any member of the Modelo Group to, use any Mark in the marketing or promotion of Beer in the Territory that is confusingly similar with any Trademark (other than any Additional Trademark) or protectable elements of Trade Dress (including the protectable Bottle Designs as of the date hereof for Corona, Negra Modelo and Modelo Especial) in each case existing as of the date of this Agreement. Notwithstanding anything to the contrary herein, nothing in this Agreement shall limit any rights of Anheuser-Busch Companies, LLC, or any of their respective Affiliates operating in the Territory (other than Grupo Modelo) to use, register or adopt any Mark or trade dress used on or before the date of this Agreement in connection with the marketing, promotion or distribution of Beer in the Territory, or the right of any such entities to challenge, oppose or assert likelihood of confusion against any Trademark or Trade Dress on the basis of any Mark owned by or activity of such entities; provided, however, that as to Trademarks and Trade Dress of the Products in each case licensed under this Agreement as of the date of this Agreement, (i) neither Anheuser-Busch Companies, LLC nor any their respective Affiliates shall challenge, oppose or assert likelihood of confusion with respect to existing uses of such Trademarks and Trade Dress, and (ii) neither Constellation Beers nor any of

its Affiliates shall challenge, oppose or assert likelihood of confusion on the basis of such Trademarks and Trade Dress against any existing Marks or trade dress of Anheuser-Busch Companies, LLC or any their respective Affiliates. For clarity, nothing herein shall be construed to prohibit Constellation Beers from bringing in accordance with **Section 2.9** an action at law or in equity for infringement under federal trademark law with respect to any Additional Trademark.

(h) For clarity, the supply by Marcas Modelo or its Affiliates of Products pursuant to the Interim Supply Agreement will not be deemed to be a breach or violation of the terms of this Agreement.

2.6 ***Sub-Licenses of Constellation Beers***.

(a) *Generally*. Constellation Beers may grant to its wholesalers, distributors, promotional agents, vendors, Affiliates, and Suppliers limited sub-licenses of its rights in **Section 2.1**, in each case only as reasonably necessary for each such sub-licensee to engage in the activity for which it was engaged by Constellation Beers and solely within the rights authorized by this Agreement. The agreement Constellation Beers routinely uses for any such sub-license of rights shall provide reasonable provisions for the use, protection and maintenance of the Licensed Intellectual Property in a manner that is consistent with this Agreement, and shall prohibit any further sub-licenses of the Licensed Intellectual Property, and Constellation Beers shall use commercially reasonable efforts to enforce such agreements. Under no circumstances may any such sub-licensee use the Licensed Other IP or Licensed Patents to manufacture, bottle or package any products for its own account or for anyone other than Constellation Beers, except that where such sub-licensee is an Affiliate of Constellation Beers, such sub-licensee shall be deemed to be Constellation Beers for purposes of the requirement that Constellation Beers must manufacture, bottle or package Importer Products only for its own account. For purposes of clarification, Constellation Beers shall have the right to sub-license all of its rights under this Agreement (including the right to grant further sub-licenses) to any other Affiliate of Constellation, provided, that Constellation Beers notifies Marcas Modelo of any such sub-licenses, such sub-licensee agrees in writing to be bound by all terms and conditions of this Agreement and the sublicensor remains liable for its sub-licensee's performance under this Agreement.

(b) *Sub-Licenses to Suppliers*. The right of Constellation Beers to grant sub-licenses to Suppliers or to any Affiliate with manufacturing rights or rights to grant sub-licenses to Suppliers under **Section 2.6(a)** is subject to and conditioned upon Constellation Beers's compliance with the terms and conditions of this **Section 2.6(b)**. Constellation Beers agrees to promptly notify Marcas Modelo in advance of any such sub-licenses, the name of the Supplier or Affiliate (as applicable) and the location of its facilities if applicable. Any sub-license granted by Constellation Beers to a Supplier or Affiliate covered by this **Section 2.6(b)** shall permit Marcas Modelo sampling and inspection rights consistent with the terms of **Section 3.7** for the Importer Products produced by such Supplier. Constellation Beers shall remain liable to Marcas Modelo for the conduct of all of its Suppliers and Affiliates covered by this **Section 2.6(b)** that would constitute a breach of this Agreement if done by Constellation Beers, such conduct being deemed a breach hereof by Constellation Beers.

2.7 ***Limitations on Marcas Modelo***. Marcas Modelo agrees that its exercise of its rights hereunder or otherwise obtained shall provide it with no right to approve the marketing, promotion, advertising used or manufacture by Constellation Beers for Interim Products and Importer Products. Notwithstanding the foregoing, Marcas Modelo shall be entitled to enforce its rights under this Agreement.

2.8 ***Maintenance of Trademarks and Licensed Other IP***.

(a) *Existing Registrations and Applications*. Marcas Modelo shall (i) pay or cause to be paid all maintenance fees, and take or cause to be taken such other reasonable administrative actions, in each case, necessary to maintain in force all the registrations in the Territory included in the Licensed Intellectual Property (except with respect to maintenance fees and administrative actions required to be taken by Constellation Beers pursuant to **Section 2.8(b**)), and (ii) diligently prosecute any applications for registration included in the Trademarks, Licensed Patents or with respect to the Licensed Other IP that are pending before the USPTO or other agency in the Territory as of the date hereof. Constellation Beers shall promptly reimburse Marcas Modelo for all reasonable out-of-pocket costs and expenses for the foregoing, including all maintenance and filing fees and reasonable attorneys' fees. If Marcas Modelo fails to perform its obligations under this **Section 2.8(a)**, Constellation Beers may take any such actions at its sole cost and expense, in which case Marcas Modelo will, and will cause any applicable member of the Modelo Group to, reasonably cooperate with Constellation Beers in such actions, at the expense of Constellation Beers. If requested by Constellation Beers, Marcas Modelo shall, and shall cause any applicable member of the Modelo Group to, designate Constellation Beers as its agent with respect to any of the foregoing maintenance obligations, including the payment of maintenance fees and filing of documents with the USPTO or other agency in the Territory.

(b) *New Registrations of Brand Extension Marks*. Upon the reasonable request of Constellation Beers, Marcas Modelo will file with the USPTO or other agency in the Territory applications to register any Marks that constitute Brand Extension Marks that can be so registered, or applications for additional registrations for any Brand Extension Marks, which applications and registrations shall then be subject to **Section 2.8(a)**, and shall be deemed to be included in the Additional Trademarks. Constellation Beers shall be solely responsible for all reasonable costs and expenses associated with filing such applications, including all filing fees and reasonable attorneys' fees, and shall pay such costs directly to the providers or, if paid by Marcas Modelo, shall promptly reimburse Marcas Modelo for the same. If Marcas Modelo fails to perform its obligations under this **Section 2.8(b)**, or as otherwise approved by Marcas Modelo, Constellation Beers may, to the extent allowed under applicable law, file such applications in its own name and will promptly thereafter assign them to Marcas Modelo. Constellation Beers will pay all maintenance fees and take such other administrative actions necessary to maintain in force all the registrations in the Territory contemplated by this **Section 2.8(b)**. Marcas Modelo will, and will cause any applicable member of the Modelo Group to, reasonably cooperate with Constellation Beers in such actions, at the expense of Constellation Beers. If requested by Constellation Beers, Marcas Modelo shall, and shall cause any applicable member of the Modelo Group to, designate Constellation Beers as its agent with respect to any of the foregoing maintenance obligations, including the payment of maintenance fees and filing of documents with the USPTO or other agency in the Territory.

(c) *Status*. Marcas Modelo shall keep Constellation Beers reasonably apprised of the status of all applications and registrations included in Licensed Intellectual Property, and any significant actions with respect thereto, and shall invoice Constellation Beers on a quarterly basis for any costs and expenses required to be reimbursed by Constellation Beers pursuant to **Section 2.8(a)** or **2.8(b)**. Constellation Beers may provide written notice to Marcas Modelo that Constellation Beers no longer wishes to maintain a particular registration or application included in the Trademarks, in which case Constellation Beers' and Marcas Modelo's obligations under **Sections 2.8(a)** and **2.8(b)** will no longer apply to such registration or application, and **Exhibit B** or **Exhibit D** as applicable will automatically be deemed amended to remove such Trademarks. Notwithstanding the removal of any Trademark from **Exhibit B** or **Exhibit D**, neither Marcas Modelo nor any member of the Modelo Group shall be permitted to use such Trademark in the marketing or promotion of Beer in the Territory if such use would be reasonably likely to cause confusion as to the source of Beer marketed with another Trademark included in **Exhibit B** or **Exhibit D**.

2.9 ***Defending Trademarks***. Each party shall, consistently with the provisions of this Agreement, use its commercially reasonable efforts to protect the Trademarks, the Licensed Patents, Licensed Copyrights, and the Licensed Other IP in the Territory. Each party shall from time to time, as soon as reasonably possible after learning of the facts or law relating thereto, notify the other party of any federal, state, local or other filing (including any applications for, or renewals of, any trademarks or similar registrations) that Constellation Beers considers to be necessary, appropriate or advisable to protect the Trademarks, the Licensed Other IP, or other ownership rights with respect to the Products in the Territory. Furthermore, the parties will cooperate and consult in good faith to determine, on a case by case basis, the best means by which to address any infringement or suspected infringement of the Trademarks in the Territory; provided that Constellation Beers shall have the final right to make determinations of this nature, including commencing or defending litigation. If reasonably requested by Constellation Beers, or as may be required by a court or agency to permit Constellation Beers to pursue an action, Marcas Modelo shall, and shall cause any member of the Modelo Group to, join as a party to any such litigation if such joinder is necessary to prosecute Constellation Beers' claims. In the event that Constellation Beers does not decide to pursue any act that Marcas Modelo deems to constitute infringement or suspected infringement of the Trademarks in the Territory, it shall give written notice to Marcas Modelo of the same and then Marcas Modelo may pursue such infringement or suspected infringement, at the expense of Marcas Modelo. Constellation Beers shall provide reasonable cooperation to Marcas Modelo in connection therewith. All damages, paid in settlement or otherwise, shall be distributed as follows, first, *pari passu*, to pay each of Constellation Beers's and Marcas Modelo's reasonable attorneys' fees and expenses and then one hundred percent (100%) to Constellation Beers if Constellation Beers choose to pursue the infringement or suspected infringement or one hundred percent (100%) to Marcas Modelo if Constellation Beers gave written notice that it would not pursue the infringement or suspected infringement and Marcas Modelo pursued such infringement or suspected infringement.

2.10 ***Ownership***. (a) Ownership of the Trademarks and of the goodwill associated therewith shall at all times remain in and inure solely to the benefit of Modelo Group, and any trademark rights or goodwill with respect thereto which may accrue as a result of advertising or sales of Importer Products or Interim Products shall be the sole and exclusive property of Modelo Group. Trademark rights (i) shall include any additions or modifications to the Trademarks, as well as any slogan, musical composition, name, emblem, symbol, trade dress

or other device used to identify or refer to Importer Products or Interim Products or any Trademark sub-licensed hereunder, in each case, whether developed, created or used by Constellation Beers or any of its sub-licensees in the Territory, and (ii) may be used by Modelo Group, by Marcas Modelo or their importers, or their distributors or sub-licensees, according to the terms of this Agreement, in territories other than the Territory, in addition to the use thereof made by Constellation Beers in the Territory under this Agreement. If any such addition, modification or device is to be separately registered under the laws protecting trademarks, copyrights or other property rights, it shall be registered only in the name of Modelo Group, and Constellation Beers shall execute such documents as may be necessary to accomplish such registration.

(b) Marcas Modelo or Modelo Group shall be deemed to be the exclusive owner of all intellectual property used or developed in connection with this Agreement by Constellation Beers that (i) incorporates the Licensed Other IP and any derivative works based thereon; (ii) in the absence of this Agreement, would infringe upon or otherwise violate the rights of Marcas Modelo or Modelo Group in the Licensed Other IP under the laws of the Territory; or (iii) was developed by Constellation Beers based upon Confidential Information belonging to Marcas Modelo or Modelo Group. As between the parties and unless contrary to applicable law, Constellation Beers shall be the owner of any intellectual property independently developed by Constellation Beers that is not a result of the areas set forth above in clauses **(i)**-**(iii)** of this **Section 2.10(b)**. For example, should Constellation Beers create a type of Container or a functional element of a Container that is not a result of the areas set forth above in clauses **(i)**-**(iii)** of this **Section 2.10 (b)**, even if such Container or a functional element of a Container is used with an Importer Product, Constellation Beers shall be the owner of the intellectual property rights with respect to such Container or functional element of such Container. For the avoidance of doubt, nothing herein shall give or be deemed to give Marcas Modelo or any member of the Modelo Group any rights in or to the Marks or other intellectual property rights that are owned by Constellation or any of its Affiliates unrelated to the subject matter of this Agreement.

(c) If, for any reason or circumstances, Constellation Beers is deemed under any law or regulation to have acquired any right or interest with respect to the Licensed Intellectual Property, Constellation Beers hereby assigns and shall, at the request of Marcas Modelo or Modelo Group, promptly execute any document reasonably needed in order for Constellation Beers to transfer to Marcas Modelo or Modelo Group any and all such rights, titles and interests in and to the Licensed Intellectual Property including the goodwill that they represent and the Licensed Intellectual Property.

2.11 ***Derivative Works***. Constellation Beers shall acquire no ownership rights in the Licensed Intellectual Property or derivative works based thereon or any intellectual property deemed to be owned by Marcas Modelo or Modelo Group as a result of this Agreement. Constellation Beers shall, at any time requested by Marcas Modelo or Modelo Group, whether during or subsequent to the term hereof, disclaim in writing any such property interest or ownership in the Licensed Intellectual Property.

2.12 ***Certain Restrictions***. Constellation Beers shall not, either directly or indirectly (and shall cause its Affiliates not, either directly or indirectly, to):

(a) establish, form, be an owner of, operate, administer, authorize or control any company, division, corporation, association or business entity under any name which includes any of the Trademarks, either in whole or part, or under any name which is confusingly similar to the Trademarks or "Grupo Modelo" (other than with respect to Constellation Beers, "Crown" as described in **Section 2.1(a)** or as expressly set forth in **Section 2.1(e)**);

(b) (except as expressly authorized by this Agreement) use, adopt, register, or seek to register, or in any other manner claim the ownership of, any Mark or trade dress that includes any of the Trademarks or that is confusingly similar to any of the Trademarks or Trade Dress (including in connection with Brand Extension Marks);

(c) use, or authorize any other Person to use, any Trademark or Trade Dress in connection with any Beer or any other good or service other than an Importer Product or Interim Product, except as expressly permitted by this Agreement;

(d) use, or authorize any other Person to use, Trade Dress for goods or services other than Importer Products for which such Trade Dress are designated for use by Marcas Modelo or otherwise permitted by this Agreement;

(e) combine a Trademark with any other Mark that is not a Trademark (other than any new Brand Extension Mark); or

(f) distribute or sell any Products to any buyers located outside the Territory, and to use its commercially reasonable efforts to prevent buyers from reselling such Products outside the Territory or in any manner not authorized by this Agreement (including by not selling to exporters or buyers who are known or would reasonably be expected to resell outside of the Territory); for clarity, it shall not be a breach of this Agreement to sell or distribute to cruise lines, airlines, tour operators and the like located within the Territory, so long as the Products are delivered within the Territory.

2.13 ***Confusingly Similar Marks***. Subject to **Section 2.15**, Constellation Beers shall not, and shall not permit any Affiliate or sublicensee to, use or register, any symbol, name, trademark, trade dress or device that is confusingly similar to (a) any Trademark or Trade Dress, or (b) any trademark rights retained by the Modelo Group as of the date of this Agreement.

2.14 ***Abandonment***. (a) If Constellation Beers fails to make any use in commerce (as the term is defined in 15 U.S.C. § 1127) of a brand with respect to all Trademarks and uses for any period comprising [****], Constellation Beers shall be presumed for purposes of this **Section 2.14** to have abandoned its licensed rights to use those brands in such Trademarks. Marcas Modelo shall give written notice to Constellation Beers of such abandonment and allow Constellation Beers to notify Marcas Modelo of Constellation Beers's intent not to abandon the Trademarks and of efforts to use the Trademarks in the future. Should Constellation Beers not reply to such notice from Marcas Modelo within [****] after the date of such notice, Constellation Beers shall be deemed to have abandoned such Trademarks, and the Trademarks shall be deleted from **Exhibit B** or **Exhibit D** hereunder, and all rights of Constellation Beers in and to such Trademarks shall terminate and shall revert to Marcas Modelo or its designee.

Notwithstanding the removal of any Trademarks from **Exhibit B** or **Exhibit D**, neither Marcas Modelo nor any member of the Modelo Group shall be permitted to use such Trademark in the Territory if such use would be reasonably likely to cause confusion with another Trademark included in **Exhibit B** or **Exhibit D**.

(b) If Marcas Modelo, and all other members of the Modelo Group, fail to make any use in commerce (as that term is defined in 15 U.S.C. §1127) in all jurisdictions outside of the Territory of a brand with respect to all Trademarks and uses for any period comprising [****], Marcas Modelo shall be presumed for purposes of this **Section 2.14** to have abandoned its rights in such Trademarks in the Territory. Constellation Beers shall give written notice to Marcas Modelo of such abandonment and allow Marcas Modelo to notify Constellation Beers of Marcas Modelo's intent not to abandon the Trademarks and its efforts to use such Trademarks in the future outside of the Territory. Should Marcas Modelo not reply to such notice from Constellation Beers within [****] after the date of such notice, Marcas Modelo shall be deemed to have abandoned such Trademarks in the Territory, and Constellation Beers shall have the right to request that Marcas Modelo assign, and, upon such request, Marcas Modelo shall assign, or cause the applicable member of the Modelo Group to assign, its right, title, and interest in the Territory in and to the applicable Trademarks to Constellation Beers at no cost to Constellation Beers other than payment of any required assignment fee charged by a governmental authority.

2.15 ***Brand Extension Marks and Brand Extension Beers***. Subject to the terms, conditions and licenses herein:

(a) *Constellation Beers Brand Extension Marks*. Constellation Beers may, without the prior consent of Marcas Modelo, adopt new Brand Extension Marks that are not confusingly similar to any trademarks (excluding the Trademarks) owned by Marcas Modelo or its Affiliates at the time of such proposed adoption, and concomitant accompanying new trade dress that is not confusingly similar to any trade dress including containers (excluding the Trade Dress) owned by Marcas Modelo or its Affiliates at the time of such proposed adoption, solely for (i) the manufacturing, bottling, and packaging of Mexican-style Beer and importing, advertising, marketing and selling such Beer in the Territory and (ii) distributing of related collateral sales and promotional materials therefor and other items to be marketed and sold or provided without charge to consumers in conjunction with such Beer in the Territory. Provided that they meet the requirements of the foregoing sentence, such Brand Extension Marks shall be deemed Additional Trademarks and Trade Dress for purposes of this Agreement (including **Sections 2.8**, **2.9**, and **2.10**). Constellation Beers shall have the right to determine in its sole discretion the Beer Recipe it uses for each new Brand Extension Beer, which Beer Recipes may be variations or derivatives of Recipes of then-existing Products or entirely new Recipes, provided that such Recipes meet the Quality Standards.

(b) *Modelo Brand Extension Marks.* Constellation Beers may, upon [****] prior written notice to Marcas Modelo and solely for the manufacturing, bottling, and packaging of Mexican-style Beer in the Brewing Territory and importing, advertising, marketing and selling such Beer in the Territory and distributing of related collateral sales and promotional materials therefor and other items to be marketed and sold or provided without charge to consumers in conjunction with such Beer in the Territory, notify Marcas Modelo that it wishes to adopt a Brand

Extension Mark created after the date of this Agreement by Marcas Modelo or Grupo Modelo and used by Grupo Modelo in Mexico for the manufacturing, bottling, packaging or selling of Mexican-style Beer. Within [****] following receipt of such notice, Marcas Modelo shall discuss with Constellation Beers whether to grant such rights to Constellation Beers and if so the terms and conditions of any such grant. For clarity, it is expressly understood and agreed that nothing in this **Section 2.15(b)** shall prevent Constellation Beers from adopting and using in the Territory as a Constellation Beers Brand Extension Mark any Modelo Brand Extension Mark so long as such adoption and use (i) complies with the provisions of **Section 2.15(a)** and (ii) does not infringe any intellectual property rights of the Modelo Group in the Territory.

(c) *Distilled Spirits*. Notwithstanding anything to the contrary herein, Constellation Beers shall not adopt a Brand Extension Mark that adopts, refers to or incorporates the name of any type of distilled spirit (such as Corona Tequila). Constellation Beers shall not use any distilled spirits as an ingredient in any Recipe for a Brand Extension Beer, unless included in a Recipe provided by, or required to be provided by, Marcas Modelo under this Agreement.

(d) *Bottle Design*. Constellation Beers may use a Parent Product's Bottle Design (or other Container design) for any related Brand Extension Beer subject to and in accordance with the terms of this Agreement.

(e) *Ownership*. For the avoidance of doubt, Constellation Beers agrees that any and all Trademarks and Trade Dress related to any Brand Extension Beer manufactured, bottled and packaged by or on behalf of Constellation Beers hereunder shall be owned by Modelo Group, and Constellation Beers hereby assigns the foregoing to Marcas Modelo.

2.16 ***Changes to Form, Trademarks, Containers, Bottle Designs, Trade Dress or Recipes by Marcas Modelo***. With respect to an Importer Product existing at the date of this Agreement, and subject to this **Section 2.15(b)**, Marcas Modelo may from time to time propose by written notice to Constellation Beers (a) reasonable changes in the approved form or use of the associated Trademarks, (b) reasonable changes to applicable Containers, Bottle Designs or Trade Dress, (c) an addition of a new Mark to **Exhibit B** as an Additional Trademark for use with such Importer Product, or (d) a change the Recipe for such Importer Product (other than a change of Recipe described in **Section 2.2(a)** above), in each case, in order to make such existing Importer Product more consistent with Products produced and sold outside of the Territory. Within a reasonable time following Constellation Beers' receipt of such notice, the parties shall discuss whether such changes or additions are mutually agreeable, and if acceptable, the terms and conditions of this Agreement shall govern such changes, provided that it is expressly understood and agreed that nothing in this Agreement, other than Section 2.4(a) and Section 2.17, shall prevent Constellation Beers from adopting and using in the United States any such change in Form, Trademark, Container, Bottle Design, Trade Dress or Recipe, so long as the adoption and use does not constitute trademark infringement or copyright infringement under applicable laws.

2.17 ***Changes to Form, Trademarks, Containers, Bottle Designs, Trade Dress or Recipes by Constellation Beers***. Subject to **Section 2.15**, and with respect to Products existing at the time of entry into this Agreement (or additional Recipes provided by Marcas Modelo under Section 2.2), Constellation Beers may from time to time propose by written notice to Marcas Modelo (a) reasonable changes in the approved form or use of the associated Trademarks, (b) reasonable changes to Containers, Bottle Designs or Trade Dress of the Products, (c) the addition of a new Mark to **Exhibit B** as an Additional Trademark for use with such existing Importer Product, or (d) a change to the Recipe for such Importer Product. Constellation Beers shall not implement any changes or additions of the type described in the foregoing clauses (a), (b), (c) or (d) without the prior written consent of Marcas Modelo; provided, however, that (i) for the avoidance of doubt, changes in the Recipe of Constellation Beers Brand Extension Beers shall not require such the consent of Marcas Modelo and (ii) Constellation Beers may adopt and use a new Container for a Product different in size, shape or materials from the Container in effect for such Product on the date hereof, but if such new Container is a glass bottle derived from an original glass Bottle Design of a Product (e.g., a smaller version of a glass bottle for Product sold under a CORONA Trademark), such new glass bottle Container shall reasonably conform to such original glass bottle Container in form, shape and proportion as closely as reasonably practicable (taking into account the change in size, shape or materials). It is expressly understood that consent of Marcas Modelo shall not be required for Packaging used by Constellation Beers to contain, ship, store or display containers for any Product.

2.18 ***Abandoned Trademarks***. Within a reasonable time following the date of this Agreement, Marcas Modelo shall allow, or cause its applicable member of Grupo Modelo to allow, the Abandoned Trademarks to be abandoned, lapse or otherwise expire. Constellation Beers agrees promptly following the date of this Agreement to make commercially reasonable efforts to wind-down its use of the Abandoned Trademarks including in connection with promotional materials and product labels that may include such Abandoned Trademarks. Within the Transition Period, Constellation Beers shall cease, and shall cause its Affiliates to cease, all use of the Abandoned Trademarks.

2.19 ***Confirmation.*** At the reasonable request of Constellation Beers, Marcas Modelo will provide documentation reasonably required by Constellation Beers for its tax or similar purposes demonstrating that Marcas Modelo has the necessary rights, as between Marcas Modelo and other members of Grupo Modelo, to grant the rights it purports to grant herein.

## ARTICLE III
## QUALITY CONTROL

3.1 ***Marketing Standards***. To protect the reputation and strength of the Trademarks and the goodwill associated with each Trademark, Constellation Beers shall: (a) always use the Trademarks in connection with the marketing and sale of Importer Products and Interim Products, and other activities with respect to the Trademarks, in a manner reasonably consistent with the requirements with respect to form, color, style and appearance of the applicable Brand Guidelines (and Constellation Beers shall reasonably consider and take into account the goodwill associated with the Trademarks in making any material changes to the other aspects of the Brand Guidelines such as strategic marketing), and (b) use and/or reproduce

the Trademarks in accordance with all applicable laws, rules, and regulations. Further, Constellation Beers shall not do any willful or intentional act which would damage the image of the Products in the Territory, and shall refrain from taking any act which disparages, discredits, dishonors, reflects adversely upon, or in any other manner materially harms the Trademarks, or the goodwill associated therewith. Additionally, with respect to Importer Products and Interim Products, Constellation Beers shall comply with the Advertising and Marketing Code of the Beer Institute, as it may be amended from time to time.

3.2 ***Merchandise and Advertising Materials***. Constellation Beers shall, and shall cause its Affiliates and sub-licensees to, ensure that any merchandise or advertising item that bears any Trademark is of sufficient quality so as not to disparage, discredit, dishonor, reflect adversely upon, or in any other manner materially harm the Trademarks, or the goodwill associated therewith. Notwithstanding the foregoing, Marcas Modelo shall not have the right to approve or disapprove of advertising created by Constellation Beers.

3.3 ***Importer Products***. Constellation Beers shall, and shall cause its Suppliers to, comply with the quality standards in this **Article III** for Importer Products. Constellation Beers shall, and shall cause its Suppliers to, ensure all Importer Products are manufactured, bottled and packaged in accordance with the applicable Quality Standards. Other than as set forth in this Agreement, Constellation Beers shall not, and shall cause its Suppliers not to, alter the Trademarks, Containers, Bottle Designs or Recipe for any Importer Product. To the extent that a Recipe or Technical Specification specifies any particular ingredients, raw materials, yeast cultures, formulas, brewing processes or equipment or other items, Constellation Beers and its Suppliers may use functional substitutes or replacements for the foregoing that do not change the finished product, as would be determined by a reasonable Qualified Brewmaster. All Importer Products shall be manufactured and imported in a manner reasonably designed to assure they remain suitable for resale and consumption for a period of no less than one hundred eighty (180) days from the date of production.

3.4 ***Brand Extension Beers***. With respect to each Modelo Brand Extension Beer constituting an Importer Product, Constellation Beers shall, and shall cause its Suppliers to, follow the Brand Guidelines of any Parent Products and Parent Trademarks, respectively, to the extent that they are applicable, in manufacturing, bottling and packaging any such Brand Extension Beer. With respect to each Constellation Brand Extension Beer constituting an Importer Product, Constellation Beers shall, and shall cause its Suppliers to, create applicable Brand Guidelines therefor compliant with the requirements of **Section 2.15(a)** and applicable quality standards. Any such Brand Extension Beer (whether Modelo or Constellation) must be of a quality equal to or higher than the Quality Standards.

3.5 ***Packaging***. Constellation Beers shall, and shall cause its Suppliers to, package Beer that is produced pursuant to this Agreement only in a box, carton, wrap or similar item that contains other Products. Constellation Beers may include any number of bottles or cans in any particular box or carton.

3.6 ***Samples***. In order to verify compliance with the quality standards for Importer Products set forth in this **Article III**, Constellation Beers shall, and shall cause its Suppliers to, at its own cost submit to Marcas Modelo, no more frequently than once per

calendar quarter, (a) a reasonable number of representative samples of Importer Products, including the Containers thereof, and any promotional products or any packaging or other materials bearing any Trademark used in marketing, merchandising, promoting, advertising (including sponsorship activities in connection with the foregoing), licensing, distributing or selling Importer Products in the Territory, and (b) compliance data that is reasonably necessary in order for Marcas Modelo to verify that Importer Products materially comply with applicable Quality Standards.

3.7 ***Inspection***. Upon reasonable advance notice, not more than twice per year (or in the event of a recall or withdrawal pursuant to **Section 3.9**, more frequently until the issues giving rise to such events are reasonably resolved) and subject to the reasonable confidentiality requirements of Constellation Beers, (a) Marcas Modelo or its representatives shall have the right, during regular business hours, to inspect the plants and facilities where Importer Products are manufactured, bottled, packaged, stored, or distributed, and (b) Constellation Beers shall, and shall cause its Suppliers to, make their respective representatives reasonably available to Marcas Modelo or its representatives, as may be reasonably necessary for Marcas Modelo or any of its representatives to adequately review the quality of the manufacturing, bottling, packaging, storage or distribution of Importer Products.

3.8 ***Brewmaster***. Constellation Beers shall, and shall cause its Suppliers to, employ or otherwise retain the services of (a) a qualified brewmaster to be responsible for supervising and directing the production, manufacturing, bottling and packaging of Importer Products and (b) a Person responsible for the systems, and compliance, to ensure appropriate quality procedures and control for the production, manufacturing, bottling and packaging of Importer Products.

3.9 ***Recalls***. In the event there is a withdrawal or recall by Constellation Beers or its Supplier of any Importer Product, Constellation Beers shall promptly notify Marcas Modelo and provide Marcas Modelo with such relevant information as reasonably will inform Marcas Modelo of the facts giving rise to the need for such withdrawal or recall, and the adequacy of steps taken by Constellation Beers or its sub-licensees to address any material concerns relating to quality identified in connection with such recall or withdrawal.

3.10 ***Quality Default***.

(a) In the event of a Quality Default, a party shall deliver a written notice to the other party of such Quality Default (a "**Quality Default Notice**") promptly after becoming aware of any such Quality Default. The parties shall promptly meet to discuss the Quality Default Notice and each party shall provide the other with full technical and analytical support to assist in identifying the problem and determining the correct procedures for resolving the same. Constellation Beers shall have [****] from and including the delivery of such Quality Default Notice to cure such Quality Default. In the event Constellation Beers fails to cure such Quality Default within [****] of such Quality Default Notice (a "**Quality Default Cure Failure**"), and Marcas Modelo has delivered a written notice to Constellation Beers confirming such failure (a "**Quality Default Cure Failure Notice**"), then, subject to the dispute resolution procedures in the remainder of this **Section 3.10**, Constellation Beers agrees that it shall, at its own cost, take all reasonably necessary steps to cure and mitigate the breach.

(b) In the event that Constellation Beers disagrees that a Quality Default or a Quality Default Cure Failure has occurred, it shall deliver a written notice to Marcas Modelo of its disagreement (a "**Disagreement Notice**"), which shall include the basis for such disagreement and shall be delivered within [****] of receipt by Constellation Beers of a Quality Default Notice or a Quality Default Cure Failure Notice, as applicable. In the event of such a disagreement, Constellation Beers and Marcas Modelo shall attempt to resolve such disagreement between themselves. If Constellation Beers and Marcas Modelo are unable to resolve the disagreement within [****] of receipt by Constellation Beers of a Quality Default Notice or a Quality Default Cure Failure Notice, as applicable, then Constellation Beers or Marcas Modelo will jointly select a Qualified Brewmaster; provided that if Constellation Beers and Marcas Modelo are unable to select such Qualified Brewmaster within [****] after delivery of a Quality Default Notice, within an additional [****], Constellation Beers and Marcas Modelo shall each select one brewmaster and those two brewmasters shall select a Qualified Brewmaster for purposes of this **Section 3.10**.

(c) Within [****] of the appointment of the Qualified Brewmaster, Constellation Beers and Marcas Modelo shall each deliver to the Qualified Brewmaster a detailed written report setting forth their respective proposed resolutions with respect to the disagreement and a detailed explanation of the basis and rationale for such party's position. The Qualified Brewmaster shall thereafter issue a written determination of whether a breach occurred, but no such determination shall award damages, or other relief, including relief which would terminate, result in a termination or have the same effect as termination of this Agreement, in whole or in part. The determination of the Qualified Brewmaster shall be final and binding upon the parties and the breach determined by the Qualified Brewmaster may be enforced in accordance with the terms of this Agreement.

## ARTICLE IV
## TERM

4.1 ***Term***. The term of this Agreement shall commence on the date hereof and shall continue in perpetuity. The parties acknowledge and agree that Marcas Modelo shall have no right to terminate this Agreement notwithstanding any breach of this Agreement by Constellation Beers, at any time. Marcas Modelo retains only the right to bring a claim as provided for herein at Article VI against Constellation Beers for damages or to seek any other remedies available to it at law or equity for any claimed breach, but excluding any remedies that would seek to terminate, or result in the termination of this Agreement.

## ARTICLE V
## INDEMNIFICATION AND INSURANCE

5.1 ***By Constellation Beers***. From and after the date hereof, Constellation Beers shall defend, indemnify and hold harmless Marcas Modelo and its Affiliates and its and their respective officers, directors, employees, representatives and agents (the "**Modelo Indemnitees**") in respect of all damages, liabilities, losses, costs and expenses of any and every nature or kind whatsoever, including reasonable attorneys' fees and disbursements and all amounts paid in investigation, defense or settlement of any or all of the foregoing) ("**Damages**") that any of the Modelo Indemnitees may incur as a result of third-party actions, proceedings or claims to the extent arising out of or in consequence of: (a) the formulation, manufacture, production, packaging, transportation, storage, marketing, merchandising, promotion, advertisement (including sponsorship activities in connection with the foregoing), licensing, distribution or sale of any products, materials or services by or on behalf of Constellation Beers, its Affiliates or its sub-licensees that bear the Trademarks (other than to the extent caused by (i) any breach of any obligation of any member of the Modelo Group to Constellation Beers or its Affiliates, or (ii) the infringement caused solely by the Licensed Intellectual Property existing as of the date of this Agreement, other than Licensed Intellectual Property to the extent created by Constellation Beers or its Affiliates under the Original Agreement; (b) any breach of this Agreement by Constellation Beers; (c) any infringement to the extent arising from any use of a Brand Extension Mark created by Constellation Beers or any of its Affiliates or sub-licensees in the Territory (other than to the extent such infringement is caused solely by the associated Parent Trademark as it exists of the date of this Agreement), or (d) any failure by Constellation Beers or its employees, agents, or its sub-licensees to comply with applicable law in connection with this Agreement.

5.2 ***By Marcas Modelo***. From and after the date hereof, Marcas Modelo shall defend, indemnify and hold harmless Constellation Beers and its Affiliates and its and their respective officers, directors, employees, representatives and agents (the "**Constellation Beers Indemnitees**") in respect of all Damages that any of Constellation Beers Indemnitees may incur as a result of third-party actions, proceedings or claims to the extent arising out of or in consequence of: (a) the formulation, manufacture, production, packaging, transportation, storage, marketing, merchandising, promotion, advertisement (including sponsorship activities in connection with the foregoing), licensing, distribution or sale of any products, materials or services by or on behalf of Marcas Modelo, its Affiliates or its sub-licensees (other than Constellation Beers or its Affiliates and their sub-licensees) that bear the Trademarks, in each instance other than due to a breach of this Agreement by any Constellation Beers Indemnitee; (b) any breach of this Agreement by Marcas Modelo; or (c) any failure by Marcas Modelo or its employees or agents to comply with applicable law in connection with this Agreement.

5.3 ***Insurance***. Each of Constellation Beers and Marcas Modelo shall maintain at its own expense sufficient insurance, including products liability and blanket contractual liability ("**Liability Insurance**"), to meet any claims that might reasonably be expected to arise against either of them in connection with the sale or distribution of any Products or any other items pursuant to this Agreement. Each of Constellation Beers and Marcas Modelo agrees that the other party shall be added as an "additional insured as their interest may appear" on the other party's Liability Insurance policy. Each of Constellation Beers's and Marcas Modelo's Liability Insurance shall be underwritten by financially sound, reputable insurance carriers that are reasonably satisfactory to the other party. Each of Constellation Beers and Marcas Modelo shall promptly provide the other with evidence of such Liability Insurance upon request.

5.4 ***No Implied Warranty***. ALL LICENSED INTELLECTUAL PROPERTY AND OTHER RIGHTS AND MATERIALS LICENSED OR OTHERWISE PROVIDED BY OR ON BEHALF OF EITHER PARTY OR THEIR ANY OF THEIR RESPECTIVE AFFILIATES UNDER THIS AGREEMENT (INCLUDING ALL RECIPES, MARKETING OR PROMOTIONAL MATERIALS, TRADE DRESS, AND DESIGNS) ARE PROVIDED ON AN "AS IS" BASIS, AND EACH PARTY HEREBY DISCLAIMS ANY IMPLIED WARRANTIES, INCLUDING WITH RESPECT TO THE WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE. The foregoing notwithstanding, each party warrants to the other party that tangible embodiments of Licensed Other IP and Recipes provided pursuant to this Agreement shall be complete and accurately reflect those embodiments that are used by such providing party and, at the reasonable request of the receiving party, the providing party will reasonably cooperate respond to questions or reasonably supplement such information consistent with the intent of this Agreement.

## ARTICLE VI
## GOVERNING LAW AND JURISDICTION

6.1 ***Governing Law***. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without reference to its principles of conflicts of laws that would require application of the substantive laws of any other jurisdiction. Constellation Beers and Marcas Modelo agree that the International Convention on the Sale of Goods shall not apply to this Agreement.

6.2 ***Jurisdiction***. Constellation Beers and Marcas Modelo irrevocably consent to the exclusive personal jurisdiction and venue of the courts of the State of New York or the federal courts of the United States, in each case sitting in New York County, in connection with any action or proceeding arising out of or relating to this Agreement. Constellation Beers and Marcas Modelo hereby irrevocably waive, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of such action or proceeding brought in such a court and any claim that any such action or proceeding brought in such court has been brought in an inconvenient forum. Constellation Beers and Marcas Modelo irrevocably consent to the service of process with respect to any such action or proceeding in the manner provided for the giving of notices under **Section 9.5**, provided, the foregoing shall not affect the right of either Constellation Beers or Marcas Modelo to serve process in any other manner permitted by law. Notwithstanding the foregoing, Constellation Beers and Marcas Modelo agree that neither may bring a judicial action or administrative proceeding unless and until the parties have provided the other party a reasonable opportunity to engage in non-binding arbitration, to be held in the County and City of New York, before the CPR Institute for Dispute Resolution, or such other alternative dispute resolution provider as they may mutually agree upon; provided that, the obligations of the parties under the foregoing sentence shall expire with respect to any dispute within ninety (90) days after notice is first provided by either party.

6.3 ***Enforcement of Judgment***. Constellation Beers and Marcas Modelo hereby agree that a final judgment in any suit, action or proceeding shall be conclusive and may be enforced in any jurisdiction by suit on the judgment or in any manner provided by applicable law.

## ARTICLE VII
## CONFIDENTIALITY

7.1 Unless otherwise agreed to in writing by Constellation Beers, Marcas Modelo agrees (and Marcas Modelo agrees to cause its Affiliates) (a) to keep confidential all Confidential Information of Constellation Beers and not to disclose or reveal any of such Confidential Information to any person other than those directors, officers, employees, stockholders, legal counsel, accountants, and other agents of Marcas Modelo or its Affiliates who are actively and directly participating in the performance of the obligations and exercise of the rights of Marcas Modelo under this Agreement, and (b) not to use Confidential Information of Constellation Beers for any purpose other than in connection with the performance of the obligations and exercise and enforcement of the rights of Marcas Modelo hereunder. The obligation to maintain the confidentiality of and restrictions on the use of Confidential Information hereunder shall include any Confidential Information of Constellation Beers obtained by Marcas Modelo and its Affiliates prior to the date hereof. If Marcas Modelo is required by law, court order or government order or regulation to disclose Confidential Information of Constellation Beers, Marcas Modelo shall provide notice thereof to Constellation Beers and, after consultation with Constellation Beers and, at the sole cost and expense of Constellation Beers, reasonably cooperating with Constellation Beers to object to or limit such disclosure, shall be permitted to disclose only that Confidential Information so required to be disclosed.

7.2 Unless otherwise agreed to in writing by Marcas Modelo, Constellation Beers agrees (and Constellation Beers agrees to cause its Affiliates and sub-licensees) (a) to keep confidential all Confidential Information of Marcas Modelo and the Modelo Group and not to disclose or reveal any of such Confidential Information to any person other than those directors, officers, employees, stockholders, legal counsel, accountants, and other agents of Constellation Beers or its Affiliates or sub-licensees who are actively and directly participating in the performance of the obligations and exercise of the rights of Constellation Beers under this Agreement, and (b) not to use Confidential Information of Marcas Modelo and the Modelo Group for any purpose other than in connection with the performance of the obligations and exercise and enforcement of the rights of Constellation Beers hereunder. The obligation to maintain confidentiality of and restrictions on the use of Confidential Information hereunder shall include any Confidential Information of Marcas Modelo and the Modelo Group obtained by Constellation Beers prior to the date hereof. If Constellation Beers is required by law, court order or government order or regulation to disclose Confidential Information, Constellation Beers shall provide notice thereof to Marcas Modelo and, after consultation with Marcas Modelo and, at the sole cost and expense of Marcas Modelo, reasonably cooperating with Marcas Modelo to object to or limit such disclosure, shall be permitted to disclose only that Confidential Information so required to be disclosed.

7.3 Constellation Beers acknowledges that certain elements in the Licensed Other IP are the Confidential Information and trade secrets of ABI and its Affiliates, and Constellation Beers shall, and shall cause its Affiliates and sub-licensees to, protect such elements with the same degree of care that it uses to protect its own Confidential Information and trade secrets of a similar nature, but no less than a reasonable degree of care.

7.4 The parties agree that Confidential Information of Constellation Beers provided under this **Article VII** and/or that is order or pricing information is competitively sensitive, and Marcas Modelo shall establish, implement and maintain strict procedures and take such other steps that are reasonably necessary to prevent disclosure of such Confidential Information to any person other than determined to be advisable in connection with the performance of the objectives and exercise of rights under this Agreement; and in no case may Marcas Modelo permit disclosure to its representatives and employees or representatives and employees of its Affiliates who have direct responsibility for marketing, distributing or selling Beer in competition with the Importer Products in the Territory.

## ARTICLE VIII
## TAXES

8.1 ***Withholding***. The payment of the Up-Front Payment (as defined in the Brewery SPA) (including any adjustment thereto) , which is made pursuant to the Brewery SPA, and any payment made pursuant to **Section 8.2** of this Agreement shall be made without deduction or withholding for any taxes (other than taxes imposed on net income in Mexico), except as required by applicable law. If any applicable law requires the deduction or withholding of any tax from such payment, then Constellation Beers or its assignee shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant governmental authority in accordance with applicable law and, if such payment is made by a Person other than Constellation Beers and such tax would not have been imposed had Constellation Beers made such payment, then the sum payable to Marcas Modelo shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this section) Marcas Modelo receives an amount equal to the sum it would have received had no such deduction or withholding been made.

8.2 ***Other Taxes.*** If and to the extent Constellation Beers exercises its right pursuant to **Section 9.1** to assign its rights and obligations under this Agreement to another Person, Constellation Beers shall indemnify and hold harmless Marcas Modelo or any of its Affiliates from and against any taxes, including, for the avoidance of doubt, any value added or other similar taxes, for which Marcas Modelo may become liable for which Marcas Modelo would not have been liable had Constellation Beers not assigned its rights and obligations under this Agreement.

## ARTICLE IX
## MISCELLANEOUS

9.1 ***Assignment***. Neither party may assign any right under this Agreement without the prior written consent of the other party; provided, that (a) Constellation Beers may assign or transfer (by sale of assets, sale of stock, merger, operation of law or otherwise) this Agreement and its rights and obligations hereunder to any Affiliate of Constellation, (b) Constellation Beers may assign and transfer this Agreement and all of its rights and obligations hereunder to any Third Party to whom Constellation Beers or its assigee sells or transfers (by sale of assets, sale of stock, merger, operation of law or otherwise) all or substantially all of its business with respect to Product in the Territory, and in that event such

assignee shall be deemed to be Constellation Beers for all purposes of this Agreement, (c) Marcas Modelo may assign or transfer this Agreement and its rights and obligations hereunder in whole or in part to any Subsidiary of ABI, or (d) Marcas Modelo may assign or transfer this Agreement and its rights and obligations hereunder to any Third Party to whom Marcas Modelo sells or transfers (by sale of assets, sale of stock, merger, operation of law or otherwise) all or substantially all of its business with respect to Product, and in that event such assignee shall be deemed to be Marcas Modelo for all purposes of this Agreement; provided, further, that any such assignee of either party agrees in writing to be bound by all terms and conditions of this Agreement and the assigning party remains liable for its assignee's performance under this Agreement. Any purported assignment not in strict compliance with the preceding sentence shall be null and void and of no force and effect. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns.

9.2 ***Force Majeure***. During the pendency of any Force Majeure Event affecting a brewing facility of Constellation Beers or Constellation Beers's Supplier(s) in Mexico, Constellation Beers will discuss with Marcas Modelo and provide reasonable consideration of any offer made by Marcas Modelo to brew and deliver as directed by Constellation Beers, any affected Beer capacity in Mexico during the pendency of such Force Majeure Event prior to engaging any manufacturing source outside of Mexico.

9.3 ***Headings***. The captions used in this Agreement are for convenience of reference only and shall not affect any obligation under this Agreement.

9.4 ***Counterparts***. This Agreement may be executed in counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts, taken together, shall constitute one and the same instrument. Signatures sent by facsimile shall constitute and be binding to the same extent as originals. This Agreement may not be amended except by an instrument in writing signed by both parties.

9.5 ***Notices***. Any notice, claims, requests, demands, or other communications required or permitted to be given hereunder shall be in writing and will be duly given if: (a) personally delivered, (b) sent by facsimile or (c) sent by Federal Express or other reputable overnight courier (for next Business Day delivery), shipping prepaid as follows:

| | |
|---|---|
| If to Constellation Beers: | Constellation Beers Ltd<br>One South Dearborn St., Suite 1700<br>Chicago, IL 60603<br>Attention: President<br>Telephone: +1 (312) 873-9600<br>Facsimile: +1(312) 346-7488 |
| With a copy to (which copy shall not serve as notice hereunder): | Constellation Brands, Inc.<br>207 High Point Drive, Building 100<br>Victor, New York 14564<br>Attention: General Counsel<br>Telephone: +1 (585) 678-7266 |

Facsimile: +1 (585) 678-7103

| | |
|---|---|
| With a second copy to (which copy shall not serve as notice hereunder): | Nixon Peabody LLP<br>1300 Clinton Square<br>Rochester, NY<br>Attention: James O. Bourdeau<br>Telephone: +1 (585) 263-1000<br>Facsimile: +1 (585) 263-1600 |
| If to Marcas Modelo: | Marcas Modelo, S.A. de C.V.<br>Av. Javier Barros Sierra 555-3 Piso<br>Col. Santa Fe, 01210,<br>Mexico, D.F.<br>Attention: General Counsel<br>Telephone: + (52.55) 2266-0000<br>Facsimile: + (52.55) 2266-0000 |
| With a copy to (which copy shall not serve as notice hereunder): | Anheuser-Busch InBev<br>Brouwerijplein 1<br>Leuven 3000<br>Belgium<br>Attention: Chief Legal Officer & Company Secretary<br>Telephone: +32 16 27 69 42<br>Facsimile: +32 16 50 66 99 |

With a second copy to (which copy shall not serve as notice hereunder):

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Attention: Frank J. Aquila
George J. Sampas
Krishna Veeraraghavan
Nader A. Mousavi
Telephone: +1 (212) 558-4000
Facsimile: +1 (212) 558-3588

or such other address or addresses or facsimile numbers as the person to whom notice is to be given may have previously furnished to the others in writing in the manner set forth above. Notices will be deemed given at the time of personal delivery, if sent by facsimile, when sent with electronic notification of delivery or other confirmation of delivery or receipt, or, if sent by Federal Express or other reputable overnight courier, on the day of delivery.

9.6 ***Entire Agreement***. This Agreement (including the schedules and exhibits hereto, which are incorporated into this Agreement by this reference and made a part hereof), the Confidentiality Agreement, dated as of May 26, 2012, by and between CBI, ABI and solely with respect to Section 2 thereof, Grupo Modelo (the "**Confidentiality Agreement**"), the Brewery SPA, the Membership Interest Purchase Agreement, and the Restated LLC Agreement (as defined in the Membership Purchase Agreement and solely to the extent Constellation Beers and Constellation do not acquire all of Constellation Beers' Interest (as defined in the Membership Purchase Agreement)), and the Transition Services Agreement and each of the other Transaction Documents, constitute the entire agreement among the parties with respect to the subject matter hereof and thereof, and supersede all prior or contemporaneous agreements and understandings, whether written or oral, among the parties hereto, or any of them, with respect to the subject matter hereof and thereof.

9.7 ***Severability***. To the extent that any provision of this Agreement is invalid or unenforceable in the Territory or any state or other area of the Territory, this Agreement is hereby deemed modified to the extent necessary to make it valid and enforceable within such state or area, and the parties shall promptly agree in writing on the text of such modification.

9.8 ***Injunction; Waiver***. The parties acknowledge that a breach or threatened breach by them of any provision of this Agreement will result in the other entity suffering irreparable harm which cannot be calculated or fully or adequately compensated by recovery of damages alone. Accordingly, the parties agree that any party may, in its discretion (and without limiting any other available remedies), apply to any court of law or equity of competent jurisdiction for specific performance and injunctive relief (without necessity of posting a bond or undertaking in connection therewith) in order to enforce or prevent any violations of this Agreement, and any party against whom such proceeding is brought hereby waives the claim or defense that such party has an adequate remedy at law and agrees not to raise the defense that the other party has an adequate remedy at law. The failure of either party at any time to require performance of any provision of this Agreement shall in no manner affect such party's right to enforce such provision at any later time. No waiver by any party of any provision, or the breach of any provision, contained in this Agreement shall be deemed to be a further or continuing waiver of such or any similar provision or breach.

9.9 ***Successors and Assigns; Third Party Beneficiaries***. This Agreement is binding upon and shall inure to the benefit of the parties hereto and their successors and permitted assigns. Nothing in this Agreement shall give any other Person any legal or equitable right, remedy or claim under or with respect to this Agreement or the transactions contemplated hereby.

9.10 ***Amendment and Restatement***. The Original Agreement shall be deemed amended and restated in its entirety as of the date hereof by this Agreement and the Original Agreement shall thereafter be of no further force and effect except to evidence any rights and obligations of the parties or action or omission performed or required to be performed pursuant to such Original Agreement prior to the date hereof.

[Signature page follows]

**IN WITNESS WHEREOF**, the parties have executed this Agreement on the date first written above.

**MARCAS MODELO, S.A. DE C.V.**

By_____
Name:
Title:

**CONSTELLATION BEERS LTD.**

By_____
Name:
Title:

**[Signature Page to Sub-license Agreement]**

**Exhibit A**

## TRADEMARK APPLICATIONS & REGISTRATIONS TO BE ABANDONED

| Mark | Ser./Reg./App. No. | Jurisdiction |
|---|---|---|
| CELEBRATE CORONA DE MAYO | SN:85-645063 | USA |
| COME CORONA WITH ME (Stylized) | SN:76-573148; RN:2,918,722 | USA |
| CORONA DECOR | SN:76-230093; RN:2,517,268 | |
| CORONA EXTRA READY TO SERVE | SN:85-818733 | USA |
| CORONA EXTRA READY TO SERVE and Design | SN:85-818736 | USA |
| CORONA START THE PARTY | SN:77-121219; RN:3,358,680 | USA |
| CORONA WIDE OPEN | SN:77-665053; RN:4,060,380 | USA |
| CORONA WIDE OPEN and Design | SN:77-665055; RN:3,986,182 | USA |
| CORONA ZONA | SN:76-229560; RN:4,200,383 | USA |
| CORONAVILLE | SN:78-725979; RN:3,221,680 | USA |
| GOMODELO | SN:85-496131; RN:4,189,942 | USA |
| SAVETHEBEACH.ORG | SN:85-769317 | USA |
| CORONASAVETHEBEACH.ORG and Design | | |
| CERVECERIA DEL PACIFICO S.A. DE C.V. CERVEZA PACIFICO CLARA | RN: CA 93009; AN: 01013055 | California |
| PACIFICO and Design | SN:73-367145; RN:1,336171 | USA |
| CORONA.COM | SN:75-632870; RN:2,663,599 | USA |

**Exhibit B**

## ADDITIONAL TRADEMARKS

| Mark/Name | Ser./Reg./App. No. | Jurisdiction |
|---|---|---|
| CERVEZA LA CERVEZA MAS FINA | SN:77-410946; RN:3,629,573 | USA |
| CORONA LIGHT CONT. NET. 340 ML and Design | | |
| CONEXION CORONA | SN:77-120568; RN:3,908,281 | USA |
| CORONA | SN:76-054459; RN:2,634,004 | USA |
| CORONA | SN:76-230273; RN:2,817,872 | USA |
| CORONA (Stylized) | SN:74-337257; RN:2,489,710 | USA |
| CORONA (Stylized) | SN:76-090432; RN:2,590,621 | USA |
| CORONA (Stylized) | SN:76-230586; RN:2,684,504 | USA |
| CORONA (Stylized) | SN:75-875857; RN:3,631,787 | USA |
| CORONA and Design | SN:74-337256; RN:2,489,709 | USA |
| CORONA BEACH HOUSE | SN:85-081351; RN:3,984,217 | USA |
| CORONA CANTINA | SN:85-645045 | USA |
| CORONA DE MAYO | SN:85-645064 | USA |
| CORONA EXTRA | SN:76-090433; RN:2,600,236 | USA |
| CORONA EXTRA | SN:75-875865; RN:2,702,882 | USA |
| CORONA EXTRA | SN:76-231041; RN:2,817,873 | USA |
| CORONA EXTRA (Stylized) | SN:74-337259; RN:2,489,711 | USA |
| CORONA EXTRA (Stylized) | SN:76-230810; RN:2,687,262 | USA |
| CORONA EXTRA and Design | SN:76-559142; RN:2,993,696 | USA |
| CORONA EXTRA and Design | SN:76-544591; RN:3,329,891 | USA |
| CORONA EXTRA CERVEZA LA CERVEZA MAS FINA and Design | SN:77-118947; RN:3,544,218 | USA |
| CORONA EXTRA CERVEZA LA CERVEZA MAS FINA and Design | SN:77-118906; RN:3,544,217 | USA |
| CORONA EXTRA LA CERVEZA MAS FINA and Design | SN:74-337255; RN:2,489,708 | USA |
| CORONA EXTRA LA CERVEZA MAS FINA and Design | SN:78-907233; RN:3,317,902 | USA |
| CORONA FAMILIAR | SN:85-420269 | USA |
| CORONAROJO | SN:85-383807 | USA |
| CORONAROJO | SN:85-354655 | USA |
| CORONITA | SN:85-383802 | USA |
| CORONITA LIGHT | SN:77-379759; RN:3,549,260 | USA |
| CORONITA LIGHT and Design | SN:77-419975; RN:3,611,200 | USA |
| FIND YOUR BEACH | SN:77-870491; RN:4,191,028 | USA |
| FIND YOUR BEACH | SN:85-499815 | USA |
| LA CERVEZA MAS FINA | SN:76-544594; RN:2,963,654 | USA |
| LA CERVEZA MAS FINA and Design | SN:74-337258; RN:1,828,343 | USA |
| MODELO | SN:76-338317; RN:2,631,391 | USA |
| MODELO ESPECIAL | SN:76-338316; RN:2,631,390 | USA |

| Mark/Name | Ser./Reg./App. No. | Jurisdiction |
|---|---|---|
| MODELO ESPECIAL CHELADA | SN:85-740870 | USA |
| MODELO LIGHT (Stylized) | SN:85-656356 | USA |
| MODELO LIGHT (Stylized) | SN:85-656355 | USA |
| MODELO LIGHT and Design | SN:85-663677 | USA |
| MODELO LIGHT and Design | SN:85-656354 | USA |
| NEGRA MODELO | SN:76-338315; RN:2,631,389 | USA |
| RELAX RESPONSIBLY | SN:77-120546; RN:3,576,821 | USA |
| RELAX RESPONSIBLY and Design | SN:77-121268; RN:3,463,388 | USA |
| RONAS & RITAS | SN:75-475936; RN:2,279,069 | USA |
| RONAS AND 'RIAS | SN:85-413853 | USA |
| RONAS AND 'RIAS | SN:85-383813 | USA |
| VIVA CORONA | SN:85-645054 | USA |
| Crown & Griffins Design | SN:73-708295; RN:1,548,371 | USA |
| Miscellaneous Design | SN:85-469388 | USA |
| Coins & King Design | SN:85-469380 | USA |
| King Design | SN:85-469400 | USA |
| Lion Design | SN:85-656360 | USA |
| Lion Design | SN:85-656358 | USA |
| Lion Design | SN:85-656357 | USA |
| CORONA | RN: TX 33569; AN: 00494075 | Texas |
| CORONA EXTRA | RN: UT 29675; AN: 20805621 | Utah |
| CORONA EXTRA | RN: DE 1989-67233; AN: 08008434 | Delaware |
| CORONA EXTRA | RN: NM 89012001; AN: 01076098 | New Mexico |
| CORONA EXTRA | RN: NH (No Registration Number); AN: 01064334 | New Hampshire |
| CORONA EXTRA | RN: MD 19897054; AN: 01057827 | Maryland |
| CORONA EXTRA | RN: MA 42599; AN: 01055262 | Massachusetts |
| CORONA EXTRA | RN: AZ 17892; AN: 00494153 | Arizona |
| CORONA EXTRA | RN: NM (No Registration Number); AN: 00494152 | New Mexico |
| CORONA EXTRA | RN: TX (No Registration Number); AN: 00494108 | Texas |
| CORONA EXTRA | RN: ID 12517; AN: 00341706 | Idaho |
| CORONA EXTRA | RN: NJ 8463; AN: 00339969 | New Jersey |
| CORONA EXTRA | RN: CT 7439; AN: 00338212 | Connecticut |
| CORONA EXTRA | RN: ME 19890160; AN: 00330567 | Maine |
| CORONA EXTRA | RN: IL 63823; AN: 00329652 | Illinois |
| CORONA EXTRA | RN: LA (No Registration Number); AN: 00017204 | Louisiana |
| CORONA EXTRA LA CERVEZA MAS FINA | RN: WA 17801; AN: 41800097 | Washington |
| CORONA EXTRA LA CERVEZA MAS FINA | RN: WA 9944; AN: 00016520 | Washington |
| MODELO | RN: CA 51955; AN: 00241431 | California |
| MODELO ESPECIAL | RN: CA 99414; AN: 23100029 | California |
| Design | RN: CA 51922; AN: 00241430 | California |
| VICTORIA | RN: CA 52397; AN: 00241579 | California |
| PACIFICO | SN:76-497182; RN:2,885,751 | USA |
| PACIFICO and Design | SN:76-497180; RN:2,862,190 | USA |
| PACIFICO LIGHT | SN:78-896659; RN:3,381,909 | USA |
| CORONARITA | SN:85-383808 | USA |

| Mark/Name | Ser./Reg./App. No. | Jurisdiction |
|---|---|---|
| CORONITA RITA | SN:85-383810 | USA |
| CERVECERIA DEL PACIFICO, S.A. DE C.V. CERVEZA PACIFICO CLARA and Design | SN:74-071659; RN:1,671,994 | USA |
| CERVECERIA MODELO S.A. DE C.V. MEXICO MODELO ESPECIAL and Design | SN:77-100703; RN:3,576,774 | USA |
| CERVECERIA MODELO | SN:77-849176; RN:3,896,060 | USA |
| CORONARITA | SN: 85-637980 | USA |
| FAMILIAR (stylized) | SN: 85-420278 | USA |
| Miscellaneous Design | SN: 78-605037 | USA |

**Exhibit D**

## TRADEMARKS

| Mark | Ser./Reg./App. No. | Jurisdiction |
|---|---|---|
| CERVEZA MODELO LIGHT and Design | SN:78-787355; RN:3,210,796 | USA |
| CORONA | SN:77-221594; RN:3,388,558 | USA |
| CORONA (Stylized) | SN:73-625255; RN:1,681,366 | USA |
| CORONA and Design | SN:73-625252; RN:1,689,218 | USA |
| CORONA EXTRA | SN:77-221686; RN:3,388,566 | USA |
| CORONA EXTRA (Stylized) | SN:73-625250; RN:1,681,365 | USA |
| CORONA EXTRA LA CERVEZA MAS FINA and Design | SN:73-625248; RN:1,729,694 | USA |
| CORONA LIGHT | SN:77-410950; RN:3,605,139 | USA |
| CORONA LIGHT and Design | SN:75-876356; RN:2,406,232 | USA |
| CORONA LIGHT and Design | SN:74-123829; RN:1,727,969 | USA |
| CORONITA EXTRA | SN:74-132069; RN:1,729,701 | USA |
| CORONITA EXTRA LA CERVEZA MAS FINA and Design | SN:74-160423; RN:1,761,605 | USA |
| LA CERVEZA MAS FINA and Design | SN:73-625249; RN:1,495,289 | USA |
| MODELO | SN:73-021202; RN:1,022,817 | USA |
| MODELO ESPECIAL | SN:72-464917; RN:1,055,321 | USA |
| MODELO ESPECIAL and Design | SN:85-074167; RN:4,060,986 | USA |
| MODELO LIGHT | SN:78-771233; RN:3,183,378 | USA |
| NEGRA MODELO | SN:73-128857; RN:1,217,760 | USA |
| NEGRA MODELO and Design | SN:77-499866; RN:3,567,209 | USA |
| VICTORIA and Design | SN:85-469396 | USA |
| Crown & Griffins Design | SN:73-625251; RN:1,462,155 | USA |
| Crown Design | SN:76-617147; RN:3,048,028 | USA |
| King Design (for Victoria Product) | SN:85-469392; RN:4,146,769 | USA |
| Miscellaneous Design (for Victoria Product) | SN:85-469385; RN:4,146,768 | USA |
| Miscellaneous Design (for Victoria Product) | SN:85-469375; RN:4,146,767 | USA |
| PACIFICO | SN:74-071754; RN:1,726,063 | USA |
| PACIFICO CLARA | SN:76-514146; RN:2,866,272 | USA |
| LA CERVEZA DEL PACIFICO CERVEZA PACIFICO CLARA and Design | SN:77-244688; RN:3,589,696 | USA |
| CERVEZA BARRILITO | SN:77-295228; RN:3,440,278 | USA |
| CORONARITA | SN:85-354652 | USA |
| CORONITA RITA | SN:85-413849 | USA |

| Mark | Ser./Reg./App. No. | Jurisdiction |
|---|---|---|
| MODELO ESPECIAL CERVECERIA MODELO MEXICO and Design | SN:85-074113; RN:4,115,677 | USA |
| CERVECERIA MODELO, S.A. DE C.V.—MEXICO and Design | SN:78-605075; RN:3,191,287 | USA |
| VICTORIA | Common Law | USA |

**Exhibit E**

## CHELADA TRADEMARKS

| Mark/Name | Ser./Reg./App. No. | Jurisdiction |
|---|---|---|
| CERVEZA MODELO ESPECIAL CHELADA and Design | SN:85-766205 | USA |
| CERVEZA MODELO ESPECIAL CHELADA and Design | SN:85-766203 | USA |

**Exhibit F**

## NON-EXCLUSIVE TRADEMARKS

| Mark/Name | Ser./Reg./App. No. | Jurisdiction |
|---|---|---|
| CELEBRATE CINCO | SN: 85-645065 | USA |
| ¡CELEBREMOS! CELEBRATE CINCO | SN: 85-645049 | USA |
| FAMILIAR | SN: 85-420277 | USA |

**Exhibit 7.1**

## RATIOS OF EARNINGS TO FIXED CHARGES

The following table sets out our ratios of earnings to fixed charges for each of the five years ended 31 December 2012, 2011, 2010, 2009, and 2008 based on information derived from our consolidated financial statements, which are prepared in accordance with International Financial Reporting Standards ("IFRS").

| | Year ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2012 | 2011 | 2010 | 2009 | 2008 |
| *Earnings:* | | | | | |
| Profit from operations before taxes and share of results of associates | 10,527 | 9,192 | 7,161 | 7,150 | 3,740 |
| Add: Fixed charges (below) | 2,361 | 3,702 | 4,313 | 5,014 | 1,965 |
| Less: Interest capitalized (below) | 57 | 110 | 35 | 4 | — |
| **Total earnings** | **12,831** | **12,784** | **11,439** | **12,160** | **5,705** |
| *Fixed charges:* | | | | | |
| Interest expense and similar charges | 2,008 | 3,216 | 3,848 | 4,394 | 1,761 |
| Accretion expense | 209 | 286 | 351 | 526 | 127 |
| Interest capitalized | 57 | 110 | 35 | 4 | — |
| Estimated interest portion of rental expense | 87 | 90 | 79 | 90 | 77 |
| **Total fixed charges** | **2,361** | **3,702** | **4,313** | **5,014** | **1,965** |
| **Ratio of earnings to fixed charges** | **5.43** | **3.45** | **2.65** | **2.43** | **2.90** |

The ratio of earnings to fixed charges represents the number of times fixed charges are covered by earnings. For the purposes of computing this ratio, earnings consist of profit from operations before taxes and share of results of associates, plus fixed charges, minus interest capitalized during the period. Fixed charges consist of interest and accretion expense, interest on finance lease obligations, interest capitalized, plus one-third of rent expense on operating leases, estimated by the company as representative of the interest factor attributable to such rent expense.

The Parent Guarantor did not have any preferred stock outstanding and did not pay or accrue any preferred stock dividends during the periods presented above.

**Exhibit 12.1**

I, Carlos Brito, certify that:

1) I have reviewed this annual report on Form 20-F of Anheuser-Busch InBev SA/NV (the "**Company**");

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's Board of Directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: 25 March 2013

By: /s/ Carlos Brito
Name: Carlos Brito
Title: Chief Executive Officer

**Exhibit 12.2**

I, Felipe Dutra, certify that:

1) I have reviewed this annual report on Form 20-F of Anheuser-Busch InBev SA/NV (the "**Company**");

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's Board of Directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: 25 March 2013

By: /s/ Felipe Dutra
Name: Felipe Dutra
Title: Chief Financial Officer

**Exhibit 13.1**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), each undersigned officer of Anheuser-Busch InBev SA/NV (the "**Company**"), hereby certifies, to such officer's knowledge, that:

The Annual Report on Form 20-F for the year ended 31 December 2012 (the "**Form 20-F**") of the Company fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: 25 March 2013

By: /s/ Carlos Brito
Name: Carlos Brito
Title: Chief Executive Officer

Date: 25 March 2013

By: /s/ Felipe Dutra
Name: Felipe Dutra
Title: Chief Financial Officer

**Exhibit 15.1**

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form F-3 (No. 333-169514 and 333-185619) and Forms S-8 (Nos. 333-165065, 333-165566, 333-169272, 333-171231, 333-172069 and 333-178664) of Anheuser-Busch InBev SA/NV of our report dated 23 March 2013 relating to the consolidated financial statements of Anheuser-Busch InBev SA/NV and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

PwC Bedrijfsrevisoren BCVBA
Represented by

/s/ Yves Vandenplas

Yves Vandenplas
Bedrijfsrevisor
Sint-Stevens-Woluwe, Belgium
23 March 2013